



Daily Report

China

FBIS-CHI-94-209
Friday
28 October 1994

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

China

FBIS-CHI-94-209

CONTENTS

28 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

U.S. Claims Syria May Be Ready for Peace Accord [XINHUA]	1
More on Syrian Conditions [XINHUA]	1
Column Views Western Interest in Iraqi Oil [RENMIN RIBAO 25 Oct]	2
Article Views 'European Year' in Diplomacy [JIAOWANG 26 Sep]	2
Foreign Bank Representatives Visit Zhejiang [XINHUA]	3
Shanghai Hosts International IPR Symposium [Shanghai Radio]	3
Spokesman Views Possible Agreement on HK Airport [Hong Kong TV]	4
UN Envoy Urges More Attention to African Issues [XINHUA]	4

Central Eurasia

Chernomyrdin Calls For Tougher Financial Policy [XINHUA]	4
--	---

Northeast Asia

Jiang Zemin To Discuss Taiwan With Murayama [Tokyo KYODO]	5
Rong Yiren, Delegation Leave for Japan [XINHUA]	5
Group Arrives in Tokyo [XINHUA]	6
Japanese Funds Flow Into Shanghai's Pudong Area [Tokyo KYODO]	6
DPRK Army Commemorates CPV Participation in War [Beijing International]	7

Southeast Asia & Pacific

Tianjin Mayor Meets Thai Bankers of Chinese Origin [Tianjin Radio]	7
Shanxi, Australian Companies To Develop Coal Gas [XINHUA]	7

Near East & South Asia

Signing of Jordan-Israel Peace Treaty Hailed [XINHUA]	7
Official Says Gulf 'Long-Term, Main Oil Supplier' [XINHUA]	8
CPPCC Chairman Meets Nepalese Crown Prince [XINHUA]	9

East Europe

Liu Huaqing Meets Albanian Defense Minister [XINHUA]	9
Yugoslav Premier Praises Chinese Foreign Policy [XINHUA]	10

NATIONAL AFFAIRS

Political & Social

Statements on Deng Xiaoping's Health Contradictory	11
National Day Activities Questioned [Hong Kong EASTERN EXPRESS 28 Oct]	11
Deng in 'Pretty Good Health' [Hong Kong WEN WEI PO 28 Oct]	11
Jiang Zemin Greets College Anniversary [XINHUA]	11

Jiang Said To Want 'Fresh Ideas' on Graft [Hong Kong HONGKONG STANDARD 28 Oct]	12
Li Lanqing Attends Fujian Commemoration [Fuzhou Radio]	12
Li Tieying Attends Enterprise Reform Exhibition [XINHUA]	13
Hu Jintao Addresses Rural Conference [XINHUA]	13
State Councilor Song Visits Development Zone [Chengdu Radio]	15
Importance of Party Building at Grass Roots [XINHUA]	15
Family Planning To Continue as State Priority [CHINA DAILY 28 Oct]	17
NPC Standing Committee Session Closes, Adopts Laws [XINHUA]	17
Forum Sets Guidelines for Ninth Five-Year Plan [ZHONGGUO TONGXUN SHE]	17
National Party School Meeting Opens [Guangzhou Radio]	18
Conference of Prosecutors Ends in Shanghai [XINHUA]	18
Reform of Social Welfare System Viewed	19
Part One [CHINA DAILY 27 Oct]	19
Part Two [CHINA DAILY 28 Oct]	20
Tiger Bone Medicines Destroyed [XINHUA]	21
Six Executed for Counterfeiting Tax Invoices [XINHUA]	21
XINMIN WANBO Scheduled for U.S. Circulation [XINHUA]	22

Military

Nanjing Region CPC Standing Committee Meets [XINHUA RIBAO 14 Oct]	22
Official on Ex-Servicemen's Resettlement Policy [XINHUA]	23
Reequipped Air Force Division Commands 'Awe' [JIEFANGJUN BAO 26 Sep]	24

Economic & Agricultural

Li Peng: Macroeconomic Measures To Continue [CHINA DAILY 27 Oct]	24
Macrocontrols Urged To Reduce Inflation [ZHONGGUO ZHENGQUAN BAO 14 Oct]	25
Vice Minister Affirms Plan To Dismantle State Firms [AFP]	25
Increased Funding for State Firms in 18 Cities [ZHONGGUO ZHENGQUAN BAO 24 Oct]	26
Official Urges Supervision of Land-Use Rights [ZHONGGUO TONGXUN SHE]	26
State Council Launches Price Investigation [XINHUA]	27
Zhu Rongji Meets Investment Bankers [XINHUA]	27
Three Major Policy Banks Begin Operations [ZHONGGUO TONGXUN SHE]	27
Commentary Stresses Banking Supervision, Control [XINHUA]	28
Planning Commission To Control Bond Issues [ZHONGGUO ZHENGQUAN BAO 13 Oct]	29
State Council on Boosting High-Tech Exports [ZHONGGUO XINWEN SHE]	30
Foreign-Funded Enterprises Must Set Up Trade Unions [CHINA DAILY 27 Oct]	30
Interim Commodity Import Control Procedures [GUOJI SHANGBAO 30 Aug]	31
Intellectual Property Rights Protection Increased [ZHONGGUO ZHENGQUAN BAO 15 Oct]	33
Beijing To Offer Projects for Foreign Investors [XINHUA]	33
Official on Future Cooperation With HK Investors [ZHONGGUO XINWEN SHE]	33
Market Opening to Foreign Accountancy Firms [ZHONGGUO XINWEN SHE]	34
Foreign Loans To Boost Telecommunications [XINHUA]	34
Telecommunications Develop Rapidly [Beijing TV]	35
Economist Denies Adjusted Statistics Unreliable [Hong Kong SOUTH CHINA MORNING POST 28 Oct]	35
China Imports Almost 150,000 Automobiles [XINHUA]	35
Statistics Bureau: Employment Outgrows Population [XINHUA]	36
Per-Capita Earnings in 537 Counties Top 1,000 Yuan [XINHUA]	36
High Growth in Consumer Goods Sales Shown [XINHUA]	36
Quality Problems Still Main Cause of Complaints [CHINA DAILY 28 Oct]	37
Article Views 'Violent' Resistance to Taxation [JINGJI RIBAO 12 Oct]	37
Development of Low-Yield Farmland Urged [XINHUA]	39

REGIONAL AFFAIRS

East Region

Jiangsu's Nanjing Managers To Share Asset Losses [ZHONGGUO TONGXUN SHE]	41
Jiangxi Government Decree on Price Controls [JIANGXI RIBAO 12 Sep]	41
First Music Television Station Opens in Shanghai [XINHUA]	43

Shanghai To Crack Down on Drug-Related Crimes [Shanghai Radio]	44
--	----

Central-South Region

Guangdong Province Sets Up Digital Data Network [ZHONGGUO XINWEN SHE]	44
Hainan Governor Chairs Meeting on Marine Resources [Haikou Radio]	44
Henan Governor Demands Strict Controls on Prices [Zhengzhou Radio]	45
Hunan Governor Attends Work Meeting on Party Building [Changsha Radio]	45

Southwest Region

Guizhou Secretary Relays Fourth Plenum's Instructions [Guiyang Radio]	46
'Aiding-the-Poor' Project Fruitful in Tibet [XINHUA]	46

Northeast Region

Heilongjiang Reports Growth of Collective Industry [Harbin Radio]	47
Liaoning Economic Achievements for 3 Quarters Viewed [LIAONING RIBAO 19 Oct]	47

Northwest Region

Gansu Secretary, Governor Relay Spirit of Plenum [Lanzhou Radio]	48
'Roundup' Views Animal Husbandry in Ningxia [XINHUA]	48
Qinghai Secretary Relays Plenum Spirit [Xining Radio]	49
Qinghai Governor Stresses Civil Affairs Work [Xining Radio]	49
Shaanxi Secretary Addresses Party Building Meeting [Xian Radio]	50
Shaanxi Governor Bai Qingcai Addresses Meeting [Xian Radio]	51
State Allocates Funds To Improve Air Quality in Yanan [SHAANXI RIBAO 19 Sep]	51
XINHUA Replaces Item on Shaanxi Foreign Trade	51

TAIWAN

President Li Briefed by Nominee on Campaign Situation [Taipei Radio]	53
Taipei To Open Representative Office in Cambodia [CNA]	53
Beijing Said Trying To Bar Taipei From Meeting [CNA]	53
Legislature Passes Amendments to Wildlife Conservation Law [CNA]	54

HONG KONG & MACAO

Hong Kong

Patten 'Confident' of Airport Agreement [Hong Kong EASTERN EXPRESS 28 Oct]	55
XINHUA Official Says Press Freedom To Stay [Hong Kong WEN WEI PO 24 Oct]	55
China Expresses Concern Over Launch of Stock Futures [Hong Kong HONGKONG STANDARD 27 Oct]	56
Disagreement Over Establishment of Appeal Court [Hong Kong EASTERN EXPRESS 27 Oct] ...	56
Government Does Not Plan To Re-Tender CT9 Project [Hong Kong SOUTH CHINA MORNING POST 27 Oct]	57
Government Not To Impose Rules on Newspaper Ownership [Hong Kong EASTERN EXPRESS 27 Oct]	57
Article on Maintaining Pegged Exchange Rate [ZHONGGUO TONGXUN SHE]	57
Anson Chan's 'Attack' on Legislators Criticized [Hong Kong SOUTH CHINA MORNING POST 28 Oct]	58
Editorial Urges UK To Cooperate in Airport Talks [Hong Kong WEN WEI PO 26 Oct]	59
Editorial Criticizes British Attitude in JLG [Hong Kong TA KUNG PAO 26 Oct]	60

Macao

China, Portugal Reach Agreement on Penal Code [Lisbon DIARIO DE NOTICIAS 26 Oct]	61
State Council Group Begins 15-Day Visit [XINHUA]	61

General

U.S. Claims Syria May Be Ready for Peace Accord

OW2810101494 Beijing XINHUA in English 0848
GMT 28 Oct 94

[FBIS Transcribed Text] Jerusalem, October 28 (XINHUA)—Syria and Israel may reach a peace agreement within six months, according to a senior U.S. official who is accompanying U.S. President Bill Clinton on his current Middle East tour.

The official's optimistic forecast was made following Clinton's talks with Syrian President Hafiz al-Asad in Damascus Thursday [27 October] morning, Israel radio said today.

During the talks, al-Asad called for "establishment of peaceful, normal relations with Israel in return for Israel's full withdrawal from the Golan Heights and from South Lebanon."

Al-Asad's remarks broke new ground since this is the first time that he made such a call in the public.

Clinton, who left Israel this morning, told the Israeli parliament Thursday night that "there is something changing in Syria" and the Syrian leaders are serious about making peace with Israel.

Clinton also pledged that the United States will redouble its efforts as a "powerful instrument" to mediate a lasting peace in the Middle East.

According to the official, Clinton might return to the region by the end of the year in anticipation of quickening the peace process between Israel and Syria.

Meanwhile, U.S. Secretary of State Warren Christopher will have a new round of shuttle diplomacy to revive the Syrian-Israeli peace talks, which have been stalled since February this year.

However, the official said that they are disappointed that al-Asad did not publicly criticize "terror" attacks against Israel as strongly as he did in his private meeting with Clinton.

A U.S. State Department spokesman has made it clear that Syria will not be taken off from the U.S. list of countries supporting "terrorism."

More on Syrian Conditions

OW2810023694 Beijing XINHUA in English 0201
GMT 28 Oct 94

[FBIS Transcribed Text] Jerusalem, October 27 (XINHUA)—U.S. President Bill Clinton tonight declared Syrian President Hafiz al-Asad has offered "full peace" with Israel but insisted that Israel must first fully return the Golan Heights.

Speaking to the Knesset, Israel's parliament, Clinton said "something is changing in Syria."

"Its leaders understand it is time to make peace," he said.

He made the statement a few hours after meeting al-Asad at the presidential palace in Damascus.

Syrian leaders also told him that they hope to transform the Middle East into a region of peace where people can live in security and prosperity, Clinton told the parliament.

"There is still a great deal of bargaining before a breakthrough, but they (the Syrian leaders) are serious," he said.

Clinton reaffirmed that the United States will continue its military and advanced technical assistance to Israel to help reduce Israel's risks in making peace.

"Now you are taking risks for peace, our role is to reduce your risks for peace," he said.

He praised Israeli Prime Minister Yitzhaq Rabin and other leaders for taking a courageous decision to make peace with the Palestinians and Jordan.

"But we must go on, we must make peace with Syria, we must see all Arab nations to normalize relations with Israel," he added.

Clinton also urged the "terrorists" in the region to stop their activities.

"You are for the past, not for the future," he said. "You cannot succeed, you must not succeed, and you will not succeed."

At the Knesset special gathering chaired by Knesset Speaker Shevah Weiss, Rabin also made a speech.

He thanked Clinton for his great efforts in the Middle East peace process and support for the state of Israel.

"Peace will bring stability to the Middle East, and to the whole world ... and we have decided to make peace," Rabin said.

"We want full peaceful relations between our country and all our neighbors," he said. "We have made peace with Jordan and the Palestinians, and we hope to make peace with Syria, with the Moslem world, and the Arab world," he said.

However, he reiterated that Jerusalem is the eternal capital of Israel and "will not be open to negotiations."

Rabin said, "we are committed to peace, and we are prepared to stop all the threats to peace."

The opposition Likud Chairman Binyamin Netanyahu, who also spoke at the Knesset, welcomed Israel's peace treaty with Jordan, saying this is the kind of peace which will end suffering and bloodshed.

But he criticized the government for making peace with the Palestinians. This is another kind of peace which encourages bleeding and terror, he asserted.

He reaffirmed his party's position that Israel must not withdraw from the Golan Heights. "The presence of Israeli troops on the Golan Heights is a guarantee of Israeli security," he said.

Netanyahu shared Rabin's view of "no concession" on Jerusalem.

Clinton arrived here this afternoon from Damascus. On Wednesday, Clinton attended the signing ceremony of the peace treaty between Israel and Jordan.

He is scheduled to leave for Kuwait Friday morning after visiting Yad Vashem, the Holocaust martyrs' and heroes' memorial on the outskirts of Jerusalem.

Column Views Western Interest in Iraqi Oil

HK2810060494 Beijing RENMIN RIBAO in Chinese
25 Oct 94 p 6

["International Jottings" column by Xie Chuan (6200 1557): "The Temptation of Oil"]

[FBIS Translated Text] During the latest Gulf crisis, France and Russia's attitudes were greatly different from that of the United States. The United States threatened to use force again to protect Kuwait's right of existence, but France said that consideration should be given to the suffering of the Iraqi people and criticized the United States for its "overreaction," and Russia warned that Iraq should not be driven into a corner. It seemed that it was all reasonable for them to say this or that. According to recent revelations by the Western media, a key factor exists behind the differences among the big powers: oil.

Iraq is a major oil-producing country. The undeveloped southern area of the country has rich oil reserves, and many big oil fields have been discovered there. In particular, reserves of the (Lumaila) Field could reach 3 billion barrels, and this makes it one of the world's largest oil fields. In order to restore and increase its oil exports after the sanctions are lifted, Iraq will certainly rebuild its damaged oil fields and develop new oil fields in the south.

Thus, oil companies from France, Britain, the United States, and Russia have all rushed to Iraq for business contracts. However, U.S. law prohibits American companies from doing business with Iraq, and American companies have been excluded from the game. Talks between French and Russian companies and Iraq were rather smooth. Two French companies, Total and Elf Aquitaine, reached "gentlemen's agreements" with Iraq, and Russia also secured contracts worth 1 billion pounds sterling. Because the United Nations has not lifted sanctions against Iraq, these companies still cannot take action. Once the sanctions are lifted, they will certainly hold an advantageous position.

Of course, the different positions of various countries in the Gulf situation are determined by various factors. The temptation of oil was one factor.

Article Views 'European Year' in Diplomacy

HK2810104194 Beijing LIAOWANG in Chinese No 39,
26 Sep 94 '63

["International commentary" by Tan Dongbai (6223 2639 4101): "A European Year in China's Diplomacy"]

[FBIS Translated Text] The Chinese leaders Jiang Zemin, Li Peng, and Qiao Shi received impressive welcomes on their respective trips to Europe this year, and the press and press agencies of various countries published a large number of commentaries which highly praised the swift development of Sino-European relations. The visits were considered events of great international significance and drew a blueprint for establishing stable, long-term, and friendly Sino-European relations beyond the next century.

This year has been a European year in China's diplomacy. The great breakthroughs achieved in Sino-European relations have not been coincidental. Over the last few years, both Eastern and Western Europe have experienced the difficulties of economic recession, while China's stable political situation; the sustained, rapid, and healthy development of its economy; and its huge market have exerted a strong attraction for the countries of the West. Following changes in the international scene, as well as in their domestic situations, a number of European countries have successively revised their policies towards China. For example, Russia has shifted from a policy of "leaning toward the West" to one of maintaining friendly relations with the West while also drawing nearer to China and other Asian nations. Germany's new Asian policy lists China as one of the key Asian countries with which to increase direct investment and technological cooperation. While promoting its "10-Point Trade Plan" to advance into Asia, the French Government, at the beginning of the year, issued a joint communique with the Chinese Government on restoring and improving bilateral relations. European leaders, including Russian Prime Minister Chernomyrdin, French Prime Minister Balladur, and Portuguese Prime Minister Cavaco Silva have successively visited China, engaging in fruitful talks and concluding a large number of economic and trade contracts and agreements on intended cooperation. Sino-European economic and trade cooperation is rapidly gathering momentum. Last year, the European Union's trade with China totaled \$29.5 billion, making it China's second largest trading partner. Russia's trade with China totaled \$7.7 billion, making China Russia's second largest trading partner. During Premier Li Peng's visit to Germany this July, contracts with a value of \$3.5 billion were concluded between the two sides. During Chairman Jiang Zemin's visit to France, the two sides concluded contracts worth \$2.5 billion. This, plus the \$1 billion in contracts concluded by Gerard Longuet, the French minister of

industry, post, telecommunications, and foreign trade, during his visit to China in July, totaled \$3.5 billion. During the next seven years, China will have to import various basic equipment and installations worth \$1 trillion. The European countries possess superior advanced technology in the fields of telecommunications, energy, transportation, machine building, etc. The future prospects for Sino-European economic cooperation are extensive and bright.

In several years, humanity will enter the 21st century. Maintaining long-term stable friendly cooperative relations between China and Europe on the basis of equality and mutual benefit will benefit both sides and will contribute to the attainment by the Chinese people of a long-term peaceful international environment in which to wholeheartedly concentrate on the construction of their own country. The same is true for the people of Europe. China, with a vast market of 1.2 billion people, is currently undergoing rapid development. Looking towards the 21st century, the maintenance of long-term economic and trade cooperation between China and Europe for mutual aid and profit will promote the development and prosperity of both sides.

The world is currently developing towards a multipolar situation. Contradictions among the United States, Russia, Europe, and Japan concerning regional hot spots, as well as economic and trade issues, are becoming more acute every day. In the last several years, the total GNP of the European Union surpassed that of the United States, reaching \$6.0881 trillion in 1991, exceeding U.S. GNP of \$5.4335 trillion and Japan's GNP of \$3.2645 trillion, ranking first in the world. Europe's position and influence in the international scene is currently undergoing marked changes. China, Russia, and France, all permanent members of the United Nations Security Council and big nuclear powers, play a decisive role and carry special responsibilities in the present world political and economic situation. China and Europe have a broad range of mutual interests. To cooperate and face the future together is both in accordance with the basic interests of both sides as well as being beneficial to the safeguarding and strengthening of regional and world peace, stability, and prosperity.

The joint communique and series of documents issued by the Chinese and Russian leaders state that after undergoing meandering development, Sino-Russian relations have entered a completely new and mature stage. A new type of nonconfrontational and nonaligned relationship has been established. This relationship is not determined by any third country, and will not pose a threat to any other country. An American newspaper's proclamation that "Sino-Russian reconciliation will worry their southern neighbors" is a total fabrication intended to foment discord.

China's current foreign diplomacy is multifaceted. Its foremost concern is to develop and consolidate harmonious and friendly relations with its neighboring countries in order to ensure that China's reform and opening policies and the construction of a modernized economy can proceed smoothly. Over the last several years, high-ranking leaders from China and the countries of Southeast Asia have exchanged frequent visits, deepening understanding, and strengthened cooperation. China and Vietnam have successfully reached an agreement on the fundamental principles for resolving their boundary disputes. China and India have signed an agreement on maintaining peace and tranquility in the controlled-line areas at their border. Last year, China's trade with ASEAN rose by 16 percent over the previous year, reaching \$7.5 billion. In dealing with its neighbors, China adheres to the Five Principles of Peaceful Coexistence, laying special emphasis on respect for political independence, mutual economic reliance, and deemphasizing ideology. China's harmonious and friendly relations with its neighbors are currently at their best since the founding of the People's Republic, and this has received international praise and acclaim. A stable, developed, and prosperous China can only make even greater contributions to regional and world peace.

Foreign Bank Representatives Visit Zhejiang

OW2810050994 Beijing XINHUA in English 0451
GMT 28 Oct 94

[FBIS Transcribed Text] Hangzhou, October 28 (XINHUA)—Representatives of 20 foreign banks have visited east China's Zhejiang Province recently.

Invited by the Industrial Bank under the China International Trust and Investment Corporation, these representatives have inspected Ningbo, one of China's open coastal cities, and Hangzhou, the provincial capital, and held talks with provincial and city officials on economic situation and development.

They have expressed satisfaction with their trip to this economically-booming province.

With a population of 43 million, Zhejiang is striving to develop its economy in an all-round way.

It generated domestic product totalling 164.5 billion yuan last year approaching to that of Shanghai, China's largest economic center, and Liaoning, a heavy industrial center in northeast China.

Shanghai Hosts International IPR Symposium

OW2710124394 Shanghai People's Radio Network in Mandarin 2300 GMT 25 Oct 94

[From the "990 Morning News" program]

[FBIS Translated Text] The 1994 Shanghai international academic symposium on intellectual property rights [IPR] was held in Shanghai yesterday [25 October]. Vice Mayor Zhao Qizheng warmly welcomed more than 60

scholars from 25 countries and regions. At the seminar, officials in charge of the China Patent Office, the State Administration for Industry and Commerce, the State Copyright Administration, the Shanghai Patent Bureau, and the municipal higher court will discuss IPR's status as it relates to investment in China, especially in Shanghai.

It is reported that Shanghai has basically completed IPR-related legislation. Patented inventions, trademarks, and copyrights are being accorded full protection. The Shanghai Municipal Intermediate and Higher People's Courts have set up tribunals to try IPR-related cases.

Spokesman Views Possible Agreement on HK Airport

HK2710133494 Hong Kong Television Broadcasts Limited in English 1200 GMT 27 Oct 94

[From the "News at 8:00" program—passages within quotation marks are recorded]

[FBIS Transcribed Text] China is also expressing confidence about reaching a partial airport agreement soon, but it remains unclear how long it will take to settle issues related to borrowings by the Mass Transit Railway and Provisional Airport Authority [PAA]. Jenny Lam reports:

[Lam] "Having failed for years to agree with Britain on how Hong Kong's new airport should be paid for, Beijing today sent signals of optimism."

[Foreign Ministry Spokesman Chen Jian in Mandarin, fading into English translation] "We hope that the Chinese and British sides will reach, as soon as possible, an agreement on the overall funding plan concerning the project of the new airport in Hong Kong in compliance with the principles and provisions the two sides have reached on this project."

[Lam] "Once an initial agreement has been signed, the two sides will then try to secure two financial support agreements. Both accords between the Hong Kong Government, the MTRC [Mass Transit Railway Corporation], and the PAA will allow the organizations to borrow money for their parts of the airport project. A Chinese source says the financial support agreements should include terms on how the PAA is to be managed, the setting up of the airport corporation, and how the MTRC is to carry out its works. The source adds if the banks agree to loans for the MTRC and the PAA, the Chinese side will not raise objections. Jenny Lam, TVB news."

UN Envoy Urges More Attention to African Issues

OW2810023994 Beijing XINHUA in English 0217 GMT 28 Oct 94

[FBIS Transcribed Text] United Nations, October 27 (XINHUA)—African economic recovery and development is not only linked with the long-term stability in the

continent, but also has an important bearing on the stable and healthy development of the entire world economy, said a top Chinese diplomat today.

Speaking at the joint meeting of the Committee for Program and Coordination and the Administration Committee on Coordination today, Chinese UN Ambassador Li Zhaoxing said as a contrast to the general world economy which has entered a stage of recovery and development, Africa still faced serious difficulties in its economic and social situation.

He said this was because the lack of powerful external and international support, especially due to the fact that developed countries were yet to fulfill their commitments for mobilizing sufficient funds and in terms of commodities, trade and debt.

To help African states realize economic recovery, he said, developed countries should fulfill their commitments for spending 0.7 percent of their gross national product on official development assistance.

He also said while helping Africa to tap human resources and formulating economic reform policies, the world body must call on the international community to attach great importance to the African question and take practical actions.

The UN should enhance its cooperation and coordination with the Bretton Woods system and especially with the World Bank and the International Monetary Fund so that the advantages of each party would be brought into full play, he added.

The ambassador stressed that the key to African economic recovery and development lies in the settlement of such questions as capital inflow, commodity diversification and debt reduction or exemption.

The UN and the international community should define the priorities in their assistance designed for African economic development, put forward specific plans and take actions on major issues, he said.

Central Eurasia

Chernomyrdin Calls For Tougher Financial Policy

OW2710140094 Beijing XINHUA in English 1334 GMT 27 Oct 94

[FBIS Transcribed Text] Moscow, October 27 (XINHUA)—Russian Premier Viktor Chernomyrdin said today that the moderately tough financial policy his government has been conducting so far has exhausted its potential, and the country needs a much tougher financial policy to improve its ailing economy.

However, he also said that, despite numerous economic problems, the country is already emerging from crisis.

Speaking before the lawmakers of the State Duma (lower house of the Russian parliament) in the morning, the

premier also said the government is determined to bring down inflation, which he called the underlying cause of all of the country's economic problems.

He admitted that the government bears responsibility for the ailing economy, but stressed that it is working hard to solve the debt problem and other economic ills.

"The country is starting to climb out from the bottom of the crisis," Chernomyrdin told the lawmakers, who will hold a vote of confidence on the government this afternoon.

"The confidence vote is both a reaction to the economic crisis and a proof that society has come to a point in reforms when it is necessary to adopt decisions on which their future will depend," Chernomyrdin said.

He said Russia's industrial production in the first ten months of 1994 was 21 percent compared with that of the same period the previous year. The country "continues to consume, rather than produce, its wealth," he noted.

The major problem is the debts state enterprises owe each other, which "strangles the economy," and causes decline in living standards, Chernomyrdin said.

He conceded that the 1994 budget had numerous holes and "was unrealistic in assessing revenues." These failings were taken into consideration when the government was drafting the 1995 budget, he added.

Meanwhile, he said the deputies themselves bear some responsibility for the flawed 1994 budget, since few had warned that the estimated revenues were unrealistic while most had been principally concerned about budget appropriations.

The premier also emphasized that it is impossible to improve the economic situation in the country without curtailing inflation.

"We believe that no attempts to improve the economy by easing the financial policy, by concessions in fighting inflation will yield results," he said.

He noted that high inflation will block the realization of the goals of Russia's economic development—to attract investments, to ensure a growth in production, and to raise the standard of living.

He also said inflation had helped to create the indebtedness among state enterprises.

"No matter how difficult it is, we must conclude that the moderately tough financial policy which has been conducted so far has exhausted its potential," Chernomyrdin said. "We must correct course and take the next decisive step."

The crash of the ruble in the foreign exchange market triggered a wave of protest from political parties in parliament.

On October 12 the Duma deputies decided to hold a vote of confidence on the government.

Observers say the air of crisis is forcing the government to make adjustments in its economic policy and that a cabinet reshuffle may be expected soon.

Northeast Asia

Jiang Zemin To Discuss Taiwan With Murayama

OW2810085794 Tokyo KYODO in English 0842 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, Oct. 28 KYODO—Questions of Japan's policies toward Taiwan, and its actions in World War II will be raised by Chinese President Jiang Zemin during talks next month with Japanese Prime Minister Tomiichi Murayama, a senior Chinese Government official said Friday [28 October].

Jiang will meet Murayama during an informal summit of Asian Pacific Economic Cooperation (APEC) forum leaders in Indonesia on Nov. 12-15, Vice Foreign Minister Tang Jiaxuan said.

"Since the normalization of relations between China and Japan, relations between the two countries have developed smoothly, especially in economic and technological exchanges...but from time to time there are problems, difficulties and sometimes noises," Tang said.

Tang was apparently referring to the recent visit to Japan by Taiwan's Deputy Premier Hsu Li-te, and to the dismissal this year of two Japanese cabinet members for statements denying Japan's aggression in World War II, incidents which infuriated the Chinese Government.

Jiang is also expected to hold bilateral meetings with U.S. President Bill Clinton and all heads of state attending the upcoming APEC summit, Tang said.

Rong Yiren, Delegation Leave for Japan

OW2810034394 Beijing XINHUA in English 0324 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Chinese Vice-President Rong Yiren and his wife left here this morning for an eight-day official visit to Japan as guests of the Japanese Government.

Rong's entourage, including Vice-Minister of the State Planning Commission Guo Shuyan, Vice-Minister of the State Economic and Trade Commission Xu Penghang, Vice-Mayor of Shanghai Xie Lijuan, and Vice-Governor of Liaoning Province Cong Zhenglong, left Beijing by the same plane.

Vice-Premier Li Lanqing, Vice-Chairwoman of the Standing Committee of the National People's Congress Chen Muhua, Minister in Charge of the State Economic

and Trade Commission Wang Zhongyu, and Vice-Foreign Minister Liu Huaqiu saw Rong and his party off in the Great Hall of the people.

Japanese Ambassador to China Mutsuko Kunihiro was also present at the seeing-off ceremony.

Group Arrives in Tokyo

OW2810063094 Beijing XINHUA in English 0611
GMT 28 Oct 94

[FBIS Transcribed Text] Tokyo, October 28 (XINHUA)—Chinese Vice President Rong Yiren arrived here today for a week-long official good-will visit to Japan at the invitation of the Japanese Government.

Rong is scheduled to attend a dinner hosted by Japanese Prime Minister Tomiichi Murayama this evening.

He will deliver a speech on China's ongoing reform and Sino-Japanese relations Saturday, and meet Foreign Minister Yohei Kono Monday.

During his stay in Tokyo, he is also scheduled to pay a courtesy call on Emperor Akihito and Empress Michiko at the Imperial Palace and meet with other Japanese politicians as well as business leaders.

He will leave Tokyo for Osaka next Wednesday to continue his Japan tour and will return to China on November 4.

Japanese Funds Flow Into Shanghai's Pudong Area

OW2810041894 Tokyo KYODO in English 0355 GMT
28 Oct 94

[By Geoffrey Murray]

[FBIS Transcribed Text] Shanghai, Oct. 28 KYODO - Japanese investment in unprecedented amounts is flowing into Pudong, a vast new city within a city being built on partly reclaimed land in eastern Shanghai.

According to the Pudong Economic and Trade Bureau, by the end of last month, 212 Japanese-funded enterprises involving investment of more than 320 million dollars, have been registered in the area.

"Japanese investment has increased 20-fold in the past two years, and has been exceeded in total capital volume only by Hong Kong and the United States," said an official.

To provide a context, there were, by the middle of last year, 1,000 foreign-funded enterprises in Pudong with a total investment exceeding 4 billion dollars. This reflects a growing awareness that Shanghai once again has become the financial and trading hub of east China.

Investment in the city in general, and Pudong in particular, offers an opportunity to open up the entire 5,500 kilometer length of the Chang Jiang River Valley, whose

rapid development currently provides nearly half of China's entire industrial development.

Trade flows down the river to the delta, where Pudong now occupies a key strategic site on the delta, with the Chang Jiang itself on one side and its tributary the Huangpu (on which the old city of Shanghai was built) on the other.

The central government alone is pouring in an estimated 15 billion dollars in an ambitious 30-year program to create out of nothing a new city of more than a million people that will present a national example of advanced economic and industrial integration.

Premier Li Peng has described Pudong as "the focus of China's efforts to attract the right sort of foreign investment" with the aim of establishing a wide-ranging high-tech manufacturing base supported by a strong service sector, especially banking and specialized financial services.

Many foreign companies initially were reluctant to share the government's vision because of the lack of infrastructure, particularly in transportation, given the fact that most of the work force was still located on the other side of the Huangpu and sometimes require three hours to travel from home.

A new subway under construction should help ease that problem as well as the integration of housing estates in new development zones.

For foreign/travelers, a new international airport is also being built in the area to avoid the difficulties of traversing heavily congested roads to get from the existing airport on the western side of the city.

Japanese interest in Pudong really only began to take shape three years ago, when Alice Clothing Co. became the first Japanese-funded enterprise to be registered there.

In 1992, however, some of Japan's major trading houses such as Itochu Corp., Marubeni Corp. and Mitsui and Co. moved in to establish international trading corporations in the Waigaoqiao Free Trade Zone. It has become so successful that city authorities were forced to advance the second phase of its development by several years and double the area of land planned for requisition.

It will also become increasingly important as more modern container ports are built along the Chang Jiang which is being developed to handle larger cargo ships.

Mitsui Engineering and Shipping Co., meanwhile, has opened up a [word indistinct] South America shipping line in Waigaoqiao, which also has regular services to Japan and Hong Kong, taking advantage of the four 10,000-ton berths built in the harbor area—and three more to be built soon—that now has handling capacity of 2.4 million tons a year.

On the manufacturing side, electronic giants such as Victor Co. of Japan, Sharp Corp., Hitachi Ltd., Ricoh Co. and Omron Corp. have all been attracted into establishing factories.

Japanese money is also pouring into the service sector. The supermarket chain Yaohan Japan Corp., in collaboration with Shanghai's No. 1 department store, is building what is touted as "the world's largest department store."

This is the first project in Shanghai, taking advantage of a government relaxation of the rules that previously kept foreigners out of the retail sector.

All these activities, meanwhile, are supported by a growing number of Japanese banks and financial services organizations that have moved into Pudong to take advantage of what is essentially a captive market.

All these activities hearten Huang Qifan, Pudong's administrative vice director, who says, "The Japanese rightly are showing great faith in our development, which in the next few years will emerge as a world-ranking center for high-tech manufacturing, wholesale trading and financial services. They will reap great rewards from this faith."

DPRK Army Commemorates CPV Participation in War

SK2810043394 *Beijing China Radio International in Korean 1100 GMT 27 Oct 94*

[FBIS Translated Text] The DPRK Ministry of People's Armed Forces arranged a banquet in Pyongyang on 25 October to commemorate the 44th anniversary of the participation of the Chinese People's Volunteers in the Korean War. General Yi Chong-san, deputy chief of general staff of the Korea People's Army, said in his speech that the warriors of the Chinese People's Volunteer [CPV] contributed to the great victory of the DPRK's fatherland liberation war, and that the DPRK people, and the officers and men of the Korean People's Army will continue to exert efforts to strengthen and develop the friendship with the PRC people, and the officers and men of the PRC People's Liberation Army. PRC Ambassador to the DPRK Qiao Zonghuai was invited to the banquet and delivered a speech. He said that ceaselessly strengthening the friendship between the PRC and the DPRK meets the basic interests of the peoples of the two countries and contributes to safeguarding peace in Asia and the world, and that the PRC party, Government, and people will make efforts to solidify and develop the friendship between the PRC and the DPRK in the new environment of history.

Southeast Asia & Pacific

Tianjin Mayor Meets Thai Bankers of Chinese Origin

SK2810073194 *Tianjin People's Radio in Mandarin 2300 GMT 28 Oct 94*

[FBIS Translated Text] On 28 October, Mayor Zhang Lichang met with a visiting group of Thai entrepreneurs

of Chinese origin, headed by (Chen Ronghan), executive chairman of the board of directors of Thailand's Bangkok Bank. Both the host and the guests extensively held talks on conducting banking cooperation and cooperatively developing paper-making, wine-making, and farm product processing projects.

Bangkok Bank is the largest private-owned bank in Thailand and the profit-making rate ranks this bank first among the private banks in the world. It has set up more than 60 branches in Thailand as well as other parts of the world. The visiting group includes responsible persons of Thailand's largest farm product processing and wine-making industrial groups.

Zhang Lichang expressed welcome to the visiting group. He said: Being an old industrial city, Tianjin has complete infrastructural facilities, high-quality labor forces, and a very good investment environment. All foreign banking departments are welcomed to conduct various forms of cooperation with Tianjin. Tianjin has a considerably large-scale foundation for developing paper and wine-making industries. Only by transforming the existing enterprises alone will we be able create very good economic results. He hoped that the guests would extensively strengthen cooperation with Tianjin.

Shanxi, Australian Companies To Develop Coal Gas

OW2810080294 *Beijing XINHUA in English 0738 GMT 28 Oct 94*

[FBIS Transcribed Text] Taiyuan, October 28 (XINHUA)—BHP [Broken Hill Proprietary] Mineral and Oil Company of Australia and two companies in north China's Shanxi Province will jointly develop gas in coal beds.

According to a letter of intent already signed, the Australian company, Huaxian Development Co. Ltd under the provincial planning commission and Huatai New Technology Development Company will jointly undertake the project in 1,000 sq km-coal mines in Xingxian, Hequ and Baode counties of the province.

Official sources said that nearly all major coal mines in Shanxi, known as China's "capital of coal," have large reserves of high-quality gas.

The project, with a planned investment of 700 million U.S. dollars, is expected to start in next spring.

Near East & South Asia

Signing of Jordan-Israel Peace Treaty Hailed

OW2710121094 *Beijing XINHUA Domestic Service in Chinese 0224 GMT 27 Oct 94*

["Commentary" by XINHUA reporter Kang Changxing (1660 7022 5281): "A New Milestone in the Middle East Peace Process"]

[FBIS Translated Text] Wadi Araba (Jordanian-Israeli Border), 26 October (XINHUA)—In the golden autumn month of October, the Middle East peace process ushered in another harvest season. Finally, after three years of endless, tough negotiations, Jordan and Israel officially signed a peace treaty at Wadi Araba on their southern border today. To the peoples of the two countries who had yearned for peace for so many years, this was a dream come true. The event marked yet another milestone in the Middle East process following the signing of the Egypt-Israel peace treaty in 1979.

The peace treaty signed between Jordan and Israel explicitly states that the two countries involved should recognize and respect each other's sovereignty, territorial integrity, and political independence. They should recognize and respect each other's right to exist peacefully within their universally recognized, secure boundaries. They should jointly promote good-neighborly, cooperative relations, and should refrain from resorting to military threats in favor of solving conflicts through peaceful means. They should fully normalize their relations on the day of ratifying and exchanging the peace treaty. For other parties involved in the Middle East peace process, the treaty, which provides legal norms governing relations between the two countries, also set an example of how conflicts can be settled and peace achieved.

The signing of the Jordanian-Israeli peace treaty is a major historical event in the contemporary Middle East history. It illustrates how mutually acceptable methods, found through political dialogue, can become the most effective way of solving international disputes. The media believe that the peace treaty's practical and long-term historical significance will go far beyond the boundaries of Jordan and Israel: The treaty will vigorously promote the entire Middle East peace process, and will have a positive impact on eventually finding a comprehensive, fair, and long-term solution for the Arab-Israeli conflict, and creating a new situation characterized by peace and development in the Middle East.

Genuine interest in peace, and pragmatic and flexible stands in peace negotiations, were key to the signing of the peace treaty between Jordan and Israel. The two sides found a satisfactory solution to their chronic disputes over territories, borders, and water resources by respecting history, by bearing their future in mind, and by holding firm to their principles, as well as the principle of mutual understanding and accommodation.

From another perspective, the signing of Jordanian-Israeli peace treaty also reflects the courageous spirit shown by leaders of the two countries in building peace. For Israel and Jordan to end decades of hostilities and achieve peace, courage is needed. And courage comes from foresight and sagacity.

The Jordanian-Israeli peace treaty is also the result of a relaxed world atmosphere. The end of the Cold War has provided external conditions for the political solution of

Arab-Israeli conflict. An increasing number of Middle East countries and peoples have come to realize that the world needs peace and development, and this awareness has helped lay a foundation for the Middle East peace.

The Middle East peace process conforms with popular will and world trends. The process, although fraught with setbacks and dangers, is an irreversible trend of the times.

Official Says Gulf Long-Term, Main Oil Supplier

OW2810011001 Ref: XINHUA in English 0038
GMT 28 Oct 94

[FBIS Transcribed Text] Kuwait City, October 27 (XINHUA)—China is considering the Gulf region as a long-term and main oil supplier, a Chinese official in the petrochemical industry said here today.

Li Yizhong, executive vice president of China Petrochemical Corporation (SINOPEC), told XINHUA that "the Middle East countries, particularly the Gulf states will be the potential key sources of China's crude oil import."

At the invitation of Kuwait Petroleum Corporation, Li and his delegation arrived here on a working visit to the Kuwait, the first of its kind.

Li said China was importing oil mostly from southeast Asian oil producers in the past, but it is focusing its interest now on the Gulf, whose oil was marked by a large proved reserve and low-sulphur character.

During its stay here, the delegation will discuss with the Kuwaiti oil sector the possibility of a long-term oil supply to China.

A source close to the delegation said that Li will meet Kuwaiti Oil Minister 'Abd-al-Muhsein Mid'aj al-Mid'aj who is believed to visit China soon.

Li said China will witness a sharp increase in its import of crude in 1995 and the demand of the crude will be strong and last for a long period.

China's import of crude in the first seven months this year reached 6.08 million tons, compared with 2.52 million tons in the same period last year.

Meanwhile, China's export of crude dropped from 10.62 million tons to 10.26 million tons.

On the current visit, Li said he will also meet his Kuwaiti counterpart in the petrochemical field to discuss the possibility of a more important role China could play in the Kuwaiti petrochemical projects and absorbing Kuwait's investment to set up more refineries in the coastal region of China.

SINOPEC, founded in July 1983, is a multi-industrial, trans-regional economic entity with a domestic registered fund of some 2.4 billion U.S. dollars.

The firm has participated successfully in renovating the project of the Kuwaiti al-Ahmadi refinery after the 1991 Gulf War.

With an oil reserve of more than 96 billion barrels and an output capacity of 2.5 million barrels per day, Kuwait is seeking to expand its oil export market.

A local newspaper said earlier that Kuwait has already exported crude to China, but the two countries have not yet signed a long-term supplying contract for oil and other petroleum products.

China also imports oil from Oman and Saudi Arabia besides the Southeast Asian oil producers.

Before coming to Kuwait, Li visited Saudi Arabia, where he discussed with his Saudi counterpart on the cooperation between the two countries in the petrochemical industry.

CPPCC Chairman Meets Nepalese Crown Prince

*OW2710160494 Beijing XINHUA in English 1538
GMT 27 Oct 94*

[FBIS Transcribed Text] Beijing, October 27 (XINHUA)—Li Ruihuan, chairman of the national committee of the Chinese People's Political Consultative Conference (CPPCC), met with Dipendra Bir Bikram Shah Dev, crown prince of the Kingdom of Nepal, and his party here this evening.

Extending his welcome to the Nepalese visitors, Li expressed his belief that the current visit by Crown Prince Dipendra will play a positive role in expanding Sino-Nepalese relations.

Li also thanked the Nepalese king, parliament, government and people for the hospitality they had accorded him during his visit to Nepal last year given by.

The friendship between people of China and Nepal has a long history, and bilateral relations have been developing smoothly since the two countries established diplomatic ties in 1955, Li said.

China and Nepal share identical or similar views on major international issues, Li noted, and the bilateral relations can be regarded as a model of peaceful-coexistence for nations with different social systems.

Li recalled that leaders of older generations of the two countries had forged close contacts, and especially King Birendra, father of Dipendra, who made eight trips to China, has made important contributions for the development of bilateral relations.

The present friendly ties between China and Nepal result from the great amount of works done by leaders of the older generations of the two countries, and that they are built on the basis of the five principles of peaceful co-existence, he said.

Li said the Chinese side cherishes the traditional friendship between the two countries, and that it hopes and confides that such friendship will go down from generation to generation.

Dipendra conveyed the regards and greetings from the king of Nepal to Li and the Chinese Government and people. As China is a friendly neighbor, he said, Nepal wants to further expand bilateral friendly and cooperative relations with it.

Through his current visit to Tibet and Beijing, Dipendra said he has witnessed China's rapid progress, and that his country has a lot to learn from China in the field of national development.

Luo Gan, state councillor and secretary-general of the Chinese State Council, participated in the meeting.

Dipendra and his party arrived here yesterday, and they had visited Tibet before their arrival in Beijing.

East Europe

Liu Huaqing Meets Albanian Defense Minister

*OW2710134494 Beijing XINHUA in English 1331
GMT 27 Oct 94*

[FBIS Transcribed Text] Beijing, October 27 (XINHUA)—Liu Huaqing, vice-chairman of China's Central Military Commission, met here today with visiting Albanian Defense Minister Safet Zhulali and his party, and both sides expressed the hope for expanding bilateral cooperation.

Liu said China and Albania enjoy traditional friendship and Zhulali's China visit will enhance the development of the friendship between the two countries and their armed forces.

China has always stood for developing relations with all countries in accordance with the spirit of the five principles of peaceful co-existence.

Different roads for development chosen by various countries and the difference in their ideology should not hinder cooperation and friendship among the countries, he added.

He noted that both China and Albania are developing countries, and China hopes to strengthen bilateral exchanges and cooperation with Albania.

Liu briefed the guests on China's economic development.

Zhulali said he was pleased to see the bilateral relations on the basis of the five principles of peaceful co-existence restored and exchanges between the two armed forces resumed after a suspension of nearly 20 years.

He said the Albanian President Sali Berisha and the Albanian Government are willing to give priority to the development of friendly relations and cooperation with China.

The Albanian people appreciated China's achievements in the reform and opening-up and they would never forget the past aid they received from China, he added.

Zhulali also asked Liu to forward Berisha's letter to Chinese President Jiang Zemin.

Yugoslav Premier Praises Chinese Foreign Policy

OW2710160694 Beijing XINHUA in English 1544
GMT 27 Oct 94

[FBIS Transcribed Text] Belgrade, October 27 (XINHUA)—Radoje Kontic, prime minister of the Federal Republic of Yugoslavia (FRY), said today that China's "principled and constructive policy" in regard to former Yugoslavia is helpful in promoting a just, reasonable, and peaceful solution to the crisis of the region.

During a meeting with visiting Chinese Vice-Foreign Minister Dai Bingguo, the premier said China has made

impressive achievements both on the international stage and domestically with reforms and an open policy.

Kontic said the FRY is willing to further strengthen its traditional friendship with China, and to develop cooperative and friendly relations in all fields.

He also expressed gratitude to the humanitarian aid China has extended to the Federal Republic.

Dai said it is China's determined policy to develop friendly relations with the countries of former Yugoslavia on the basis of the five principles of peaceful coexistence.

He said there exists a traditional friendship between China and the FRY, and expressed his belief that this friendship will continue to develop as the situation evolves.

China is willing to work with the international community to lift sanctions against the fry and to find a just, reasonable, and peaceful solution to the conflict in former Yugoslavia.

Political & Social

Statements on Deng Xiaoping's Health Contradictory

National Day Activities Questioned

HK2810033094 Hong Kong EASTERN EXPRESS in English 28 Oct 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] Deng Xiaoping's family appeared in some confusion yesterday after the patriarch's daughter contradicted earlier official statements about where he spent the National Day holiday.

Deng Rong, who serves as personal secretary to the venerable architect of China's reforms, said the entire family watched Beijing's October 1 fireworks display from the Zhongnanhai leader's compound, which lies just to the north of Tiananmen Square.

The statement clashed with a recent claim by the patriarch's younger sister, General Deng Xianqun, that the family had spent the evening at the Diaoyutai state guesthouse, which lies some distance from the square.

Observers said last night the discrepancy may have resulted from a mistake on the part of editors of the latter report, which appeared in the official Chinese media two weeks ago.

Alternatively, they said, it may have uncovered the fact that the declining Deng did not see the fireworks at all, and the daughter and sister failed to co-ordinate their stories.

As the 90-year-old leader's health has deteriorated, speculation has grown that his family may be attempting to present the appearance that he is functioning as normal. Recent overseas reports say that he is already bed-ridden.

Deng was last seen in public in February, when he appeared on television in Shanghai looking dazed and supported by his two youngest daughters. Deng Rong, who is thought to be charged with guarding her father's reputation after his death, has gone to great lengths since then to emphasise the regular pattern of his daily life.

In Hong Kong yesterday for a property exhibition, she faced reporters with what appeared to be a prepared statement about her father.

"I have two things to tell you," she said.

"The first is that on October 1 the entire family and my father went to the Yingtai pavilion by the lakeside to enjoy the fireworks," she said.

"The gentle wind and the beautiful scenery made the old man very happy.

"The second thing is that his health is not bad. Of course he is 90 years old. But if his health were not good, I would not have taken the time to come down here."

The Yingtai, or Ocean Terrace, pavilion juts into the Southern Lake (Zhonghai) at the southern end of the Zhongnanhai compound, and was a favourite place of contemplation for Mao Zedong.

Lying so close to Tiananmen Square, where the October 1 fireworks are set off, observers said it would be a more logical—not to mention secure—place for Deng to be taken to watch the display than the distant Diaoyutai guesthouse.

During a military inspection of Wenzhou in Zhejiang on October 3, Deng Xianqun, one of the few female generals in the Chinese military, claimed to have spent the National Day evening with her brother at Diaoyutai.

She referred to the state of his health as "very good".

Deng in 'Pretty Good Health'

HK2810093094 Hong Kong WEN WEI PO in Chinese 28 Oct 94 p A12

[Report: Deng Rong Says in Hong Kong Deng Xiaoping in Good Health"]

[FBIS Translated Text] Deng Rong disclosed in Hong Kong yesterday that her father Deng Xiaoping is in pretty good health and that while taking the whole family to Zhongnanhai to watch the National Day fireworks display he was in a very cheerful frame of mind.

Yesterday, in her capacity as chairman of the board of Shenzhen Huayue Industrial Company Limited, Deng Rong attended the company's Shenzhen Boli Garden trade fair in Hong Kong and presided over the opening ceremony. When asked by a reporter about the condition of her father's health, she said: "On 1 October National Day, father took the whole family to Zhongnanhai's Yingtai to watch the fireworks display. He watched three parts of the fireworks display."

As Deng Rong described it, on the evening of National Day there was a soft breeze on the banks of Zhongnanhai. The reflection of the fireworks in the water was very beautiful. Deng Xiaoping was in a very cheerful frame of mind. She pointed out that her father was in pretty good health.

Jiang Zemin Greets College Anniversary

OW2710132794 Beijing XINHUA in English 1307 GMT 27 Oct 94

[FBIS Transcribed Text] Xian, October 27 (XINHUA)—The Fourth Medical College of the Chinese People's Liberation Army (PLA), one of China's key medical colleges, has celebrated its 40th founding anniversary.

Jiang Zemin, Chinese president and chairman of the Central Military Commission and other top military leaders including Liu Huaqing and Zhang Zhen wrote inscriptions for the occasion.

The college in Xian, capital of northwest China's Shaanxi Province, has established ties with some colleges and universities and research institutions in 48 countries and regions, with over 50 foreign guest professors there.

More than 30,000 graduates from the college are playing an important role in the country's medical field.

Jiang Said To Want 'Fresh Ideas' on Graft

HK2810075894 Hong Kong HONGKONG STANDARD in English 28 Oct 94 p 6

[By Cary Huang]

[FBIS Transcribed Text] About two-thirds of Chinese citizens are unsatisfied with the result of the ruling Communist Party's year-old anti-graft campaign, the party's top watchdog has found in a recent nationwide survey.

And a portion of the respondents in an official opinion poll said they were suspicious of the authorities' determination to net "big fish" or corrupt senior officials.

Chinese sources said the polling result, conducted by the Discipline Inspection Commission (DIC) of the Communist Party Central Committee, had prompted senior party leaders, including the party boss, to call for a review of their anti-corruption effort.

Party General Secretary Jiang Zemin called for new campaign methods in his comment on the report, Chinese sources yesterday quoted an internally-circulated document as saying.

"We should review our tactics in anti-corruption campaign and explore fresh ideas, methods and ways in our drive to ward off the negative trend," Mr Jiang, who is also state president and army chief, gave the instruction after reading the report. [sentence as published]

The survey report, along with Mr Jiang's remark, was being circulated to party and government departments responsible for discipline and anti-graft affairs, a party source told The Hong Kong Standard.

The survey, conducted among 90,000 Chinese citizens from all walks of life, was to find out public opinion on the party's anti-graft drive amid increasing discontent on widespread corruption.

About 66.98 per cent of respondents said the one-year-old anti-graft campaign has limited or little effect in containing rampant graft among party and government officials.

And more than 20 per cent of the respondents said they believed corruption was even more rampant than before

and spreading quickly into aspects of society [as published] after the launch of a high-profile campaign late last year.

About 41 percent of those surveyed said they were unsatisfied or very unsatisfied with the result of the party's promise to "deal with big and serious cases".

They said the current campaign was similar to the previous ones, with little action backing up promises.

Only about 15 per cent of those surveyed said they approved of, and were satisfied with, the leadership's drive in the past year.

The DIC concluded that a majority of Chinese citizens were not fully satisfied with the government's efforts in the campaign.

They were particularly unsatisfied with efforts by party and government departments at local levels.

Li Lanqing Attends Fujian Commemoration

HK2810082294 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 20 Oct 94

[FBIS Translated Text] People from all walks of life attended a meeting held by Fujian Province and Xiamen City to commemorate the 120th birthday of Chen Jiageng, a patriotic leader of overseas Chinese, in Jimei's Fonan Hall, Xiamen yesterday afternoon. Party and state leaders Jiang Zemin, Li Peng, Qiao Shi, and Li Ruihuan wrote inscriptions on the commemoration. Jiang Zemin wrote: Carry forward Jiageng's patriotic spirit, boost China's education. Li Peng wrote: Loving the motherland and home town, attaching importance to education. Qiao Shi wrote: Model of loving the motherland and running education. Li Ruihuan wrote: His enthusiasm and aspirations will last forever.

Those attending the commemoration meeting included Li Lanqing, member of the CPC Central Political Bureau and vice premier of the State Council; Sun Fuling, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; leaders of central departments and retired comrades such as Cao Qingze, Wan Shaofen, Liu Hui, Wang Mingda, Lin Liyun, Zheng Guangji, Zhang Kehui, Chen Shetang, Hong Fusheng, Xiang Nan, Zhang Yanming, Zhang Xia, Li Binghao, Tong Xiaopeng, Lin Qiude; provincial leaders Jia Qinglin, Chen Mingyi, You Dexin, Lin Kaiqin, Lin Zhaochu, Shi Zhaobin, Huang Changxi, Hong Huasheng, Huang Liangchuan, Liu Jinmei, Zou Erjun, Chen Jiazhen; Zhang Junsheng, deputy director of XINHUA Hong Kong Branch; Xiamen City leaders and relatives of Mr. Chen Jiageng; and overseas guests and representatives of various social circles, nearly 2,000 people in all.

On behalf of the party Central Committee and the State Council, Li Lanqing gave an important speech at the meeting. He said: Throughout his life, Chen Jiageng

loved his motherland and home town, made great contributions to the development of education, gave service to society, and brought benefit to his compatriots. We grandly commemorate his 120th birthday to express the esteem and memory of our party and our people for Mr. Chen Jiageng and also to encourage all people to follow his example and carry forward his noble spirit in order to build China into a affluent, powerful, democratic socialist country with a high degree of civilization.

Provincial party committee Secretary Jia Qinglin; Shi Zhaobin, secretary of the Xiamen City CPC Committee; Huang Zhonghan, a representative of people from various social circles; and Chen Yanxi, the son of Mr. Chen Jiageng, also gave speeches at the commemoration meeting. Jia Qinglin said: Mr. Chen Jiageng's greatest hope in his lifetime and what he strove for throughout his life was the motherland's prosperity and powerfulness and his home town's prosperity. In the new situation, we commemorate Mr. Chen Jiageng because we should still learn from and carry forward his spirit and conduct and make greater contributions to the motherland's prosperity and modernization.

Chen Yanxi, Mr. Chen Jiageng's son, spoke on behalf of Chen Jiageng's relatives. He said that they would follow the example of his father and would continue to make contributions to the prosperity of the motherland while living overseas and contributions to world peace.

After the meeting ended, central, provincial, and Xiamen City leaders and representatives of people from all walks of life went to Guilai Hall in Jimei. There, they laid wreaths at a statue of Chen Jiageng.

Li Tieying Attends Enterprise Reform Exhibition

OW2810092394 Beijing XINHUA in English 0901
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—An exhibition to show the achievements Chinese enterprises have scored in the 15-year drive of reform and opening-up inaugurated here today.

Jointly sponsored by the State Council's Development Research Center, State Commission for Restructuring the Economy and State Economic and Trade Commission, the exhibition is attended by more than 300 enterprises from 27 provinces, municipalities and autonomous regions across the country.

Included are state-run giants, stock companies and newly-emerged enterprise groups, rural industries and overseas-funded enterprises.

Li Tieying, member of the Political Bureau of the Communist Party Central Committee, attended the opening ceremony.

Some 24 ministries, state commissions and ministry-level corporations have also helped sponsor the five-day exhibition.

A symposium on the modern enterprise system will be held during the show.

Hu Jintao Addresses Rural Conference

OW2810083594 Beijing XINHUA Domestic Service in Chinese 1057 GMT 26 Oct 94

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—Hu Jintao, member of the Political Bureau's Standing Committee and of the Secretariat of the CPC Central Committee, today made a report to a national conference on the building of rural grass-roots organizations on behalf of the party central committee. He pointed out at the conference, which opened today: By the end of this century, our country should complete the initial establishment of a socialist market economic structure, agricultural production should rise to a new level, fresh progress should be made in rural reform, new changes should take place in rural society, and people in most of rural areas should be able to enjoy a relatively comfortable life. To adapt to the new situation and tasks, we must clearly understand the objective of building of rural grass-roots organizations—that is, to build united and staunch leading bodies which enjoy the support of the masses and each, in particular, with a good secretary; to train a contingent of fine personnel with fighting capability; to find a proper way to accelerate the development of the local economy; to improve operating mechanisms; and to perfect the management system which gives expression to democratic management and ensures effective operation.

He stressed: Party committees at all levels should have a clear understanding of the situation, seize the opportune time, and make vigorous efforts to strengthen the building of rural grass-roots organizations with party organizations as the core. They must make fresh progress and achieve tangible results in this regard.

The party central committee convened this conference mainly to study and implement the decision adopted by the Fourth Plenary Session of the party's 14th Central Committee, to exchange experiences in building rural grass-roots organizations, and to make concrete plans to strengthen the building of such organizations in the new situation.

Zhu Rongji, Standing Committee member of the CPC Central Committee Political Bureau and vice premier of the State Council, presided over today's conference. Present were Wu Bangguo, Jiang Chunyun, and Wei Jianxing, member of the CPC Central Committee Political Bureau; Wen Jiabao, alternate member of the CPC Central Committee Political Bureau; Ren Jianxin, member of the CPC Central Committee Secretariat; and state councillors Song Jian, Li Guixian, and Chen Junsheng.

In his report, Hu Jintao dealt with five topics: 1. Fully understand, from the strategic and overall point of view, the importance and urgency of strengthening the

building of rural basic-level organizations with party organizations as the core; 2. Have a clearer understanding of the objective, priorities, and guiding principles for strengthening the building of rural grass-roots organizations; 3. Effectively strengthen the building of rural grass-roots party organizations and give fuller play to the roles of party branches as the core of leadership and as a fighting bastion; 4. Strive to cultivate a contingent of basic-level cadres, through increased training and practical tempering, who can meet the requirements of the new situation and unite and lead peasants to achieve a relatively comfortable standard of living; and 5. Party committees at various levels, especially those at the provincial, prefectural, and county levels, should assume their responsibility for effectively leading the building of rural grass-roots organizations.

Hu Jintao pointed out: Ours is a country in which peasants account for most of the population, and agriculture is the foundation of the national economy as well as the foundation of socialist modernization as a whole. Agriculture, the countryside, and the peasantry always occupy a decisive position, and they have a direct bearing on the overall situation in reform, development, and stability. Only when we do a better job in building the more than 800,000 basic-level party organizations across the country, give full play to the roles of various village-level organizations with party branches as the core and the exemplary vanguard role of communists, and organize the broad masses of peasants into a strong joint force for building a new socialist countryside by rallying them closely around the party, will we be able to effectively implement the party's basic line, principles, and policies in grass-roots units; promote the deepening of rural reform, economic development, and all-round social progress with faster and better results; and ensure the smooth development of reform, opening up, and socialist modernization as a whole. Some people think that the building of grass-roots organization has no bearing on the overall situation, so they simply ignore the work or relax their efforts at the building such organizations; others are not eager to make progress, attempt nothing and achieve nothing, and lack confidence in the new situation; still others work only in response to general calls, fail to vigorously implement policies, or make only irregular efforts to do so—all these are wrong.

After analyzing the basic situation in rural grass-roots organizations, Hu Jintao said: In strengthening the building of rural grass-roots organizations, it is necessary to make overall planning and to give priority to key projects. We should make every possible effort to effectively consolidate and build in three years and in a guided and planned way those grass-roots organizations that are weak and lax in discipline or that are in a state of paralysis; we should efficiently solve major local problems which are of widespread concern to the masses and which may affect reform, development, and stability; and we should make particular efforts to build

well the leading bodies of party branches. New development objectives should be set for advanced villages where party branches have a comparatively strong fighting capacity, the party's line, principles and policy are effectively implemented, economic development is relatively fast, and the general mood of society is good. This will make such villages achieve more successes in all fields of work and give full play to their radiating, assisting, promoting, and exemplary role in their areas. As for villages whose conditions are in the middle, efforts should be made to solve problems once they are discovered, especially outstanding problems. It is essential to make unremitting efforts to greatly improve all rural grass-roots organizations. We must ensure the implementation of the party's basic line as the starting point and foothold of this work in its whole process. We must grasp the building of party organizations as the key and, at the same time, do a good job in building villagers' organizations for self-management, collective economic organizations, organizations of the Communist Youth League, women's federations, militia, and other organizations. We also must study new situations, try to solve new problems, and do our work in a down-to-earth manner.

Hu Jintao emphatically pointed out: The key to strengthening the building of rural grass-roots organizations lies in effectively building basic-level party organizations. First, it is necessary to give priority to improving the quality and ability of the leadership and building the leading bodies of party branches, especially selecting good secretaries for party branches. This will enable party organizations to give full play to their roles as the core of leadership and as a fighting bastion in conscientiously implementing the party rural policies, deepening rural reform, developing the rural economy in an all-round way, building a spiritual civilization, leading peasants in reaching the goal of living a relatively comfortable life, and achieving common prosperity and progress. Second, established grass-roots party organizations should be rationally readjusted and their activities and work methods improved on condition that such readjustment and improvement will be conducive to developing the productive forces and strengthening party work. Third, vigorous efforts should be made to strengthen the education and management of party members in rural areas and to organize them in a planned and systematic way to study the theory of building socialism with Chinese characteristics and the constitution of the party, with a view to improving the quality of party members and to strengthening their party spirit. Fourth, we should conscientiously recruit party members from among outstanding young peasants in order to strengthen the vitality of party organizations. At the same time, we should do a good job in building other village-level organizations so that they will take the initiative in vigorously performing their work and play the role they should play according to the party's basic rural tasks and their own rules and characteristics.

On building the ranks of basic-level cadres, Hu Jintao said: Several million basic-level cadres in rural areas are an important component of the party's contingent of cadres. They are the backbone force for implementing the party's rural principles and policies, carrying out various tasks, and leading the broad masses of peasants in building a new socialist countryside, and constitute an important bridge or link in maintaining close ties with the masses. Large numbers of rural grass-roots cadres are a contingent of fine cadres. They bear hardships, stand hard work, carry out their tasks in a down-to-earth manner, surmount difficulties, and work hard without being upset by criticism. By so doing, they have made positive contributions to promoting rural reform, advancing the building of material and spiritual civilization, and maintaining social stability in the countryside. It should also be noted, however, that many basic-level cadres have yet to adapt themselves to the new situation and new tasks to some extent. Through necessary training, group by group, and regular tempering in work, we should improve the quality of basic-level cadres in an all-round way and strive to cultivate a contingent of rural grass-roots cadres who meet the requirements for developing the socialist market economy and for moving toward the goal of living a relatively comfortable life and who, because of their good quality, are able to pass the stiffest work tests. It is necessary to strengthen ideological education, implement the correct policies, establish incentive mechanisms, arouse and protect the enthusiasm of large numbers of rural grass-roots cadres, and commend in a big way those honest, upright, hard-working, excellent cadres who have made outstanding contributions to rural development and progress so as to encourage them to continue contributing to building a new socialist countryside.

In conclusion, Hu Jintao said: The party should take care of its own affairs. Party committees at all levels should first handle party affairs, and party committee secretaries should take the lead in doing so. Party committees from the central to the provincial, prefectural, and county levels all shoulder heavy responsibility in building rural grass-roots organizations, but county party committees are the key in this regard. A county party committee should place the stress of its work and its main energies on rural work. The secretary of a county party committee should first assume responsibility for the building of rural grass-roots organizations in his own county. The effort to organize office cadres to work in rural areas should be linked to the efforts to build grass-roots organizations and to train reserve cadres and with the efforts to promote the reform of the office personnel system, to change government functions, to improve office cadres' work style, and to raise their work efficiency.

State Councilor Song Visits Development Zone

HK2810082494 Chengdu Sichuan People's Radio Network in Mandarin 1100 GMT 24 Oct 94

[FBIS Translated Excerpt] Accompanied by Huang Qitao, vice minister of the State Science and Technology

Commission; Shen Maocheng, vice minister of the Ministry of Forestry; and Vice Governor Li Meng, State Councilor Song Jian visited a development zone in Mianyang City where he listened to a report by the city party secretary on the city's situation. On learning that there are 160 scientific and technological research institutions and 80,000 scientific and technological personnel in the city, Song Jian said that there was great potential for Mianyang's development. Subsequently, Song Jian also inspected basic facilities construction projects and chemical industrial projects. When touring the Changhong Holdings Company Limited, China's largest color television manufacturing plant, Comrade Song Jian spoke highly of its production procedures and earnestly asked some of its personnel about their lives and work.

While in Mianyang, Comrade Song Jian also visited the China Engineering and Physics Research Institute. He praised the institute's achievements, urged it to keep up its efforts in scientific research and development to strengthen China's defense capacity, and asked its personnel to tap their potential in production to make greater contributions to the country and the people.

Importance of Party Building at Grass Roots

HK2810063894 Beijing XINHUA Domestic Service in Chinese 2106 GMT 16 Oct 94

[Report on interview with Zhao Zongnai, executive deputy head of the Central Organization Department, by unidentified staff reporter: "Give Play to Role of Grass-Roots Party Organizations as Bastions"]

[FBIS Translated Text] Beijing, 17 Oct (XINHUA)—How can we vigorously strengthen the building of grass-roots party organizations and bring into play their role as bastions in the course of developing a socialist market economy? Recently, this reporter interviewed Zhao Zongnai, executive deputy head of the CPC Central Organization Department.

At present, there are over 54 million party members and over 3.3 million grass-roots party organizations in China. Zhao Zongnai holds that these grass-roots party organizations are the basic cells of the party's organizational system, are a bridge and tie linking the party and the masses, and are the foundation of the party's whole work and combat effectiveness. He said that whether or not grass-roots party organizations are strong and effective has a direct bearing on the rise and fall of the party and the success and failure of the modernization drive.

Zhao Zongnai said: In the past 16 years of reform and opening up, especially since the Fourth Plenary Session of the 13th CPC Central Committee, in keeping with the demands set forth by Comrade Deng Xiaoping that it is necessary to concentrate our energies on building the party, the CPC Central Committee with Jiang Zemin at the core has attached great importance to strengthening the building of grass-roots party organizations, done a great deal of work in this respect, and obtained obvious

results. Only when the vast numbers of grass-roots party organizations and Communist Party members play their roles on all fronts can it be guaranteed that all of the reform measures will be smoothly implemented and that economic development and all jobs and tasks will be satisfactorily completed, and will there be new prospects for reform and opening up and modernization as there are today.

At the same time, Zhao Zongnai said: Some problems, some of which are rather serious, exist in the building of grass-roots party organizations and badly need resolution. They can be summarized by four major areas: First, some areas have tended to slacken to varying degrees in their efforts to build grass-roots party organizations and tend to weaken the role of grass-roots party organizations. They fail to place the building of grass-roots party organizations in their due place. Second, they are unable to adapt to the new situation, study new conditions, and resolve new problems and they are passive in their work. Third, some grass-roots party organizations are weak and slack. Some are even paralyzed. Some grassroots cadres are indecent in their practices and cut themselves off from the masses. Some party members fail to set an exemplary role. Fourth, some grass-roots party organizations have not developed party membership for a long time; thus, it has become a comparatively salient problem where they have a decreasing proportion of young party members. Zhao Zongnai held that if these problems, which exist in grass-roots party organizations, are not seriously resolved it will weaken the party's prestige, shake the party's foundation, and affect the progress of reform and economic development.

In response to the view of some who set the building of grass-roots party organizations against the establishment of a socialist market economic structure, Zhao Zongnai said: Reform and opening up and the development of a socialist market economy cannot be separated from party building, neither can party building during the new period be separated from reform and opening up and economic development. While injecting great vitality and vigor into economic development and social life, the socialist market economy has offered a wide arena, exceedingly enriched the contents of party building work, and has promoted the reform and upgrading of party building work itself. In the new context of establishing a socialist market economic structure, vast numbers of grass-roots party organizations have implemented the party's basic line, engaged in the party's work bearing in mind the central task of economic development, and have created many very good experiences. In rural areas for instance, some advanced grass-roots party organizations, such as Xinxiang's Liuzhuang Village Party Committee in Henan, Jiangyang's Huaxi Village Party Committee in Jiangsu, and Fangshan's Doudian Village General Party Branch, have relied on the masses, carried forward the masses' pioneering spirit, and struggled in the great waves of the market economy, and they have made huge changes in their areas within a short time. The practice of these units vividly proves that the

party's leadership is indispensable for the healthy development of the market economy. On the other hand, party building needs to absorb fresh nutrition from the development of the market economy so that the party can develop and improve. The two help and supplement each other.

How can we build grass-roots party organizations into strong bastions that are united and lead the broad masses to achieve the party's goals? Zhao Zongnai maintained that four types of work should be properly done at the present time:

First, party organizations should be established in grass-roots units. They have to be established where there do not exist. If they do not function as they should, they should be rectified. The key to succeeding in this job is to strengthen the building of leading groups and to select those who "agree with the party's line" and those "who have strong party discipline and are capable." In rural areas, those who are capable mean those, in concrete terms, who are able to lead the masses toward common prosperity. We should strive to rectify within three years party branches that are not playing their roles.

Second, it is necessary to arm grass-roots party organizations and all party members with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and organize party members for the acquisition of knowledge about the socialist market economy and about science, technology, and culture, thus improving the quality of party members in an all-round way so that they can meet the needs of developing a socialist market economy. Moreover, it is necessary to pay good attention to the study and teachings of the party constitution in combination with studying Comrade Xiaoping's theories.

Third, it is necessary to adapt to the new situation, study new conditions, resolve new problems, and blaze new trails. In the building of grass-roots party organizations, it is necessary to organically integrate the inheritance of traditions with reforms and innovations so that we will be able to adapt amidst change, to strengthen it amidst improvement, and upgrade it amidst development, and thus meet the needs of reform and opening up and the modernization drive in a still better way.

Fourth, local party committees at all levels should enhance their awareness of the party taking care of its own affairs and should strengthen leadership over the building of grass-roots party organizations. County party committees are crucial to the building of grass-roots party organizations in rural areas. City party committees are crucial to the building of grass-roots party organizations in urban areas. County and city party secretaries are the persons who assume primary responsibility for the building of grass-roots party organizations. It is necessary to include the standard of whether one attaches importance to and does well in the building of grass-roots party organizations in the responsibilities and goals

of local party committees and relevant leading cadres and as an important basis in examining whether they capable in their jobs.

Family Planning To Continue as State Priority

HK2810054794 Beijing CHINA DAILY in English 28 Oct 94 p 1

[By Zhu Baoxia: "Family Planning To Remain a Priority"]

[FBIS Transcribed Text] Family planning will continue to be a State priority in order to keep the country's population growth in pace with social and economic development, a leading population official said yesterday.

Peng Peiyun, State Councillor and Minister of the State Family Planning Commission, said that the purpose of family planning is to guarantee sustainable economic advancement, meet the increasing demands for improved material and spirit life and create a better environment for future generations.

Peng made the speech yesterday at a national meeting on family planning in Beijing. She asked all levels of government to improve medical services and combine family planning with the drive to eliminate poverty.

More than 160 units and 390 individuals were cited by the State Family Planning Commission and the Ministry of Personnel for their achievements in practicing family planning.

One of the models, Yangxian County in Shaanxi Province, has been integrating its family planning programme with economic development since the early 1970s.

For the last 13 years, the county's natural population growth rate has remained stable, below the ratio of eight per 1,000.

The area's total industrial and agricultural output value has gone up from 181 million yuan (\$21 million) in 1980 to 880 million yuan (\$102 million) last year. The county's average per capita annual income has also increased from 171 (\$19) to 691 yuan (\$80).

NPC Standing Committee Session Closes, Adopts Laws

OW2710135894 Beijing XINHUA Domestic Service in Chinese 0607 GMT 27 Oct 94

[FBIS Translated Text] Beijing, 27 Oct (XINHUA)—The week-long 10th meeting of the Eighth National People's Congress [NPC] Standing Committee ended this morning after adopting various motions.

NPC Standing Committee Chairman Qiao Shi presided over the closing session.

The session voted to adopt the Law of the People's Republic of China on Maternal and Infant Health Care

and the Advertisement Law of the People's Republic of China. President Jiang Zemin today signed presidential decrees Nos. 33 and 34 to promulgate the two laws.

The law on maternal and infant health care consists of 39 articles under the seven chapters of general principles, premarital health care, health care during pregnancy and childbirth, technical identification, administration, legal responsibility, and supplementary articles. It will take effect on 1 June 1995. The advertisement law consists of 49 articles under the six chapters of general principles, advertising standards, advertising activities, review of advertisements, legal responsibility, and supplementary articles. It will take effect on 1 February 1995.

Today's session also adopted the NPC Standing Committee's decision on ratifying the "Convention on the Safe Use of Chemicals in Workplaces," as well as reports by the NPC's Internal and Judicial Affairs Committee; Financial and Economic Committee; Education, Science, Culture, and Public Health Committee; and Foreign Affairs Committee on the results of their deliberations of motions filed by deputies and forwarded to them for deliberation by the Presidium of the Second Session of the Eighth NPC. The session also relieved Huan Lingtai [0729 1693 0407 3141] of his duties as procurator at the Supreme People's Procuratorate.

Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, and Wu Jieping, vice chairpersons of the NPC Standing Committee, attended the session, as did Cao Zhi, secretary general of the NPC Standing Committee.

Qian Qichen, vice premier of the State Council, and Ren Jianxin, president of the Supreme People's Court, attended the session as observers.

Forum Sets Guidelines for Ninth Five-Year Plan

HK2810053594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1204 GMT 27 Oct 94

[FBIS Translated Text] Beijing, 27 Oct (ZHONGGUO TONGXUN SHE)—The basic guidelines for China's Ninth Five-Year Plan have been set. At a recent forum on planning the Ninth Five-Year Plan, a relevant department revealed the basic framework of the planning.

According to information, the guiding thoughts for the Ninth Five-Year Plan are, in brief, to further properly handle the relationship between reform, development, and stability; to maintain the sustained, rapid, and healthy development of the economy; and to improve the quality of the overall economy and economic efficiency and further promote the organic integration of opening up, economic development, and social development.

The main target of the Ninth Five-Year Plan is to realize the second-step strategic goal of national economic

development, that is, to achieve small-scale prosperity and a per-capita GNP of about \$1,300 based on the price level in 1980.

The development tasks of the Ninth Five-Year Plan mainly include six areas: First, maintain a certain growth speed on the basis of vigorously improving economic efficiency; second, view adjustment and optimization of the industrial structure as an important duty; third, upgrade the overall quality of the economy; fourth, properly carry out reform; fifth, ensure the coordinated development of the economy and society, including construction in areas such education, culture, health, environmental protection, and building the legal system; and sixth, ensure the stability and prosperity of Hong Kong and Macao after they return to the motherland.

The relevant department pointed out that there are also three areas to watch out for when drafting the Ninth Five-Year Plan.

First, a comprehensive view must be taken to consider the concrete conditions of various quarters when deciding the speed of development, and it seems that the development speed in the Ninth Five-Year Plan period should be lower than that of the Eighth Five-Year Plan period.

Second, judged from the state's financial situation, investment in fixed assets in the Ninth Five-Year Plan period will not experience a great improvement. According to preliminary calculations, only 55 percent of investment in capital construction can be spent on new projects, with the rest going to the improvement of projects started during the Eighth Five-Year Plan period, therefore, the state cannot be relied on for more funds.

Third, the state has already announced its industrial policy, therefore, developments in various localities should properly toe the line of the state industrial policy, that is, strengthen basic industries and support the four major pillar industries.

National Party School Meeting Opens

HK2710134694 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 26 Oct 94

[FBIS Translated Text] A national meeting on party school teaching opened in Dongguan City yesterday. More than 100 people in charge of the Central Party School and provincial and autonomous regional party schools attended the meeting. The meeting studied the problem of deepening party school teaching reform and discussed the formulation of a new teaching program and a teaching reform plan so that party school education meets the need of training leading cadres who have both ability and political integrity.

Wang Jialiu, executive vice president of the CPC Central Committee Party School, and Fu Rui, a member of the Guangdong Provincial CPC Committee's Standing Committee, were present at the meeting.

Comrade Wang Jialiu spoke at the meeting, saying that party school teaching reform must be aimed at comprehensively improving leading cadres' quality and training young cadres. He pointed out: In implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee and further improving the party's ability to exercise leadership and run administration, the key point is to improve leadership groups' ideology and style, as well as the training and selection of leading cadres.

Conference of Prosecutors Ends in Shanghai

OW2810110294 Beijing XINHUA Domestic Service in Chinese 0312 GMT 27 Oct 94

[By reporter Luo Kangxiong (5012 1660 7160)]

[FBIS Translated Text] Shanghai, 27 Oct (XINHUA)—The five-day second national political work conference of procuratorial organs ended in Shanghai yesterday. Speaking at the conference, Zhang Siqing, procurator general of the Supreme People's Procuratorate, said emphatically: Procuratorial organs at all levels should earnestly implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, strengthen party building, fully perform their supervisory functions through legal means, and ensure the smooth implementation of central policies and decrees, as well as the establishment and development of the socialist market economic system.

Since the first national political work conference of procuratorial organs in 1990, procuratorial organs at all levels have achieved fairly remarkable results and gained a wealth of useful experiences in party-building, ideological and political work, and cadre-training. During the conference, responsible comrades from provincial, municipal, and autonomous regional procuratorates across the country exchanged views, analyzed the situation and tasks facing them in political work, and studied opinions and reports on further strengthening party-building in procuratorial organs.

Zhang Siqing pointed out: At present, the main political task of procuratorial organs is to strengthen party-building in procuratorial organs in accordance with the "decision" of the Fourth Plenary Session of the 14th CPC Central Committee, to always give priority to ideological work, and to persistently carry out the strategic task of arming all procuratorial personnel with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. They should foster a good atmosphere of studying theory and acquiring professional skills, so as to cultivate competent procuratorial personnel who can adapt to the evolving situation and the requirements of their work.

On strengthening party organizations, Zhang Siqing emphasized that this was a salient part of party-building. He said: In the current drive to practice democratic centralism, procuratorial organs should primarily

enforce the law and uphold the dignity of the socialist legal system as a way to implement the party's line, principles, and policies, and to defend the party's authority. They should safeguard the unity and correct implementation of the law through strict law enforcement and a rigorous approach toward handling cases. Moreover, they should strengthen and improve their grass-roots party organizations, train and select leading cadres who have both political integrity and ability, and strive to groom large numbers of cross-century leading personnel who shoulder heavy responsibility.

Reform of Social Welfare System Viewed

Part One

HK2810092494 Beijing CHINA DAILY in English 27
Oct 94 p 4

[First of four installments of a series on reform of the social welfare system by staff reporter Chen Xiao: "Insurance System Targets Pension Reform"]

[FBIS Transcribed Text] China is shaping a new social insurance system to pave the way for its enterprise reform, which seems to be in a stalemate under the traditional welfare system.

Setting up the new framework is on the top agenda for next year's reform, which is targeting the micro level after the initial successes in macro reforms this year.

"The new insurance system does not only guarantee further enterprise reform next year but also helps to maintain social stability in the long run. It's an issue concerning everyone," said He Yang, director of Department of Distribution System under the State Commission for Restructuring the Economic Systems (SCRES), a major sector in reform design.

Three aspects dominate the frame work: pension, unemployment and medical insurances.

"Among the three, the picture of pension insurance reform is not clearly pencilled out," He said. "So far, there are two alternatives."

First, funds will continue to be pooled by the units and used under the unified management of labour department for the pensioners.

Besides some slight changes in collecting and spending, this is very similar to the old pension system, He said.

"It is, in nature, like a 'big iron bowl.' Money is collected and spent for all the pension in a certain scope of areas."

The second, which the SCRES is drumming up, will open an account for each pensioner.

Both units and individuals will put money into the account each month. A pensioner will live on his account after he retires. If the account is overdrawn, the retired will be taken care of by the society.

In this case, a pension is more closely connected with an individual's own interest.

Experiments with such a system have been conducted in Shenzhen and Shanghai since May 1992 and February 1993 respectively.

Starting in 1996, the retired in Shanghai, a city of grey hairs, will get their pensions from local social insurance organizations instead of their units. "Pension reform is one theme in the present phase of reform," said Huang Ju, Mayor of Shanghai.

At present, the share in the pension account contributed by an individual employee only accounts for 2 to 3 percent of his total income. The figure will be raised to 8 percent in the future, according to He.

More regulations will be issued on the use of the pension, said He. Pension funds are forbidden to play stocks or invest in real estate businesses and are encouraged to buy State bonds.

China introduced its social insurance system in the early 1950s under the planned economic system.

Employees' salary only covered their basic spending on daily life—food and clothing.

In urban areas, employees' welfare was connected closely with their units. Enterprises supplied accommodation and medical services to their employees and the retired took a pension from their employers each month.

Such a system remained in place until 1984 when more enterprises lost their breath trying to keep ahead of pension payouts for the increasing number of retired employees. The older an enterprise is, the more retired it has to take care of, and usually the worse it operates.

Meanwhile, some of the retired in ailing factories could not obtain pensions in time and they had to peddle on the street to make a living.

According to a survey conducted by the All-China Federation of Trade Unions, more than 1 million retired workers cannot get a pension in time, said Chen Zhigang with the Social Insurance Department of the federation.

Since the mid-1980s, some provinces such as Jiangsu, Liaoning and Sichuan started to introduce a new method—labour departments collected contributions from enterprises as pension funds. The retired in certain areas, for instance in a county, a city or a province, could get bail-out from the funds. According to the Ministry of Labour, 2,300 cities and counties had adopted the system by the end of the 1980s.

Though new elements have been added, this system is more or less the same as the traditional one.

SCRES tries to hook up the system with individuals.

"It not only makes some readjustments in policy but also aims at creating a new system," said He Yang. "This is the cream of the reform package."

There are four advantages He stated in a report to the central authorities for final approval.

The new system can encourage employees to put money in their pension accounts because they know that the money will be only used by themselves.

They were discouraged by the old system, because everybody believed that their contributions would go to others. They didn't know who used up this input.

Under the new system, employees often supervise their employers to timely hand in the pension, because enterprise contributions are a big share of their individual pension accounts.

At the same time, employees will take more initiative to oversee the management of pension funds. They will not allow speculation over the money on which they will have to rely when they get old.

Since employees can take pension accounts with them when they want to change jobs, the new system encourages free floating of labour forces. Under the old one, everything would be lost if an employee was displaced from his unit.

The new system will also encourage well-performing enterprises to put more money into the pension funds. Under the old system, they were unwilling to do so because the more they contributed the more the others could use.

Though more problems will have to be solved to adopt such a system, this should be the direction," He said.

Part Two

HK2810092794 Beijing CHINA DAILY is. English 28 Oct 94 p 4

[Second of four installments of a series on reform of the social welfare system by staff reporter Chen Xiao: "Unemployment Insurance System Changes Ahead"]

[FBIS Transcribed Text] It was a last hope for Shao Mingfang when a neighbourhood committee clerk in charge of unemployment insurance informed him to take unemployment relief funds.

At that time, Shao, displaced from a textile firm in Liaoning Province, was up to his neck in worries about his future life.

"The unemployment insurance system has bailed me out of difficulties," said Shao, who later found a job in a public transportation company.

Like Shao, the jobless can get 70 to 80 percent of the minimum wage in their local areas.

The system has helped many people like Shao and, more importantly, maintained social stability.

Although the concept of unemployment is being widely accepted by more and more people, the central government is still being prudent when dealing with the sensational issue. Just a few years ago, China officially termed the unemployed, "job-waiters," which sounded a little better.

What Xin Jie, a Beijing municipal government official in charge of the capital's bankruptcy experiment, worries about mostly is what arrangements to make for people resorting to bread lines after their enterprises filed bankruptcy.

"This is a knotty problem which may cause uncertainties in society," Xin said.

In practice, the problem has made reformers hesitate to push the bankruptcy experiment forward.

So far, the filing of bankruptcy has mostly occurred in small and medium-sized enterprises which usually have small number of employees, Xin said.

The bankruptcy experiment is one major theme in the central government's enterprise reform package which is expected to be put forward next year.

State-owned enterprises which have gone to the wall and now must rely on bank loans and government subsidies should go bankrupt.

The State Trade and Economic Commission is detailing plans to expand the experiment nationwide.

"To escort the experiment, the central government is going to improve the unemployment system next year," said He Yang, director of Department of Distribution System under the State Commission for Restructuring the Economic System (SCRES).

There must be a national unified insurance system to protect the jobless.

"They should not be kicked out without any subsidies," He said. Workers contribute most to the country, but their wages do not include the sum on which they can bank after they are unemployed.

After banks clear up the bankrupts' debts, top priority should be given to arrangements for their employees, said the director.

Some displaced workers should be given a certain sum of money and encouraged to find jobs by themselves. Well-performing enterprises should also be allotted some subsidies to employ those workers.

Besides supporting the bankruptcy experiment, the existing unemployment insurance system needs to improve, He said.

First of all, the scope will expand to the economics of all types of ownership, such as collectively-run, private and the Chinese partners in foreign-funded ventures.

According to a report released by the Ministry of Labour, the unified unemployment system will cover 90 million jobless, about 20 million more than the present figure.

At present, the system is mainly limited to the State-owned sectors.

The use of unemployment insurance will improve too, said He.

He revealed that at present most insurance was used as management fees or put into building training centres. Few have been used as relief funds for the unemployed.

"The SCRES insists that 80 per cent of the unemployment insurance should be identified as unemployment relief funds," said the director.

However, there are different views on this point. Some government departments encourage the establishment of training centres to educate the jobless and help them to find jobs.

It will be a roundabout course if the country emphasizes too much issuing of unemployment relief funds while neglecting to help the jobless become reemployed, they argue. Giving the unemployed education opportunities is a tremendous achievement since the mid-1980s when China began to introduce the unemployment insurance system.

Without such efforts, Shao Mingfang would hardly find the job again.

"But such work as opening training courses for those who are at bottom should be society's duty," He said.

The director emphasized that coordination should be improved between unemployment insurance and social relief.

"This will be another part in reform of the unemployment insurance system," he said.

After the 24-month unemployment insurance term expires, the insureds should be entitled to social relief if their conditions meet the requirements set by the Ministry of Civil Affairs.

"However, the existing social relief system usually neglected the unemployed," He said.

Generally speaking, unemployment insurance is higher than social relief funds which only cover basic daily life.

In addition, to establish a unified and independent government department to manage unemployment, pension and medical insurance is another reform move, said He.

Some regions, for instance, in Shanghai have set up social insurance bureaux in their local areas.

Besides government involvement He said it is possible to set up an organization to monitor the management of these insurances, which consists of members of the National People's Congress, trade unions, the government and representatives of the insureds.

"Then, the insurance system may serve as a 'cushion' to reduce the risks brought by bankruptcy and the experiment is expected to sail smoothly," said Xin Jie.

Tiger Bone Medicines Destroyed

OW2810091194 Beijing XINHUA in English 0822
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—China has recently destroyed a patch of illegal Chinese medicines which were claimed containing tiger bone ingredients, a wildlife protection official said here today.

The official said that the Ministry of Forestry also called for continued efforts to crack down on any activities violating the central government's ban of trade in rhinoceros horns and tiger bones, or the use of the animal parts in traditional Chinese medicines.

According to the official, the 577 boxes of musk pain-killer plasters, whose inside labels claim containing tiger bone ingredients, were confiscated by forestry department officials in Guangxi Zhuang Autonomous Region as the medicines were being shipped to Fujian and Guangdong provinces.

The seized medicines, valued at 500,000 yuan (57,000 U.S. dollars), were destroyed on September 2 in Nanning, capital of the Guangxi Zhuang Autonomous Region.

The medicines were produced by a pharmaceutical factory in Chongqing, southwest China, or Chongqing traditional Chinese medicines factory.

The official described the action as a major effort following China's public destruction of illegal rhinoceros horns and tiger bones earlier this year in Guangdong and Heilongjiang provinces.

Last year, China officially banned the trade in rhinoceros horns and tiger bones, or the use of them in traditional Chinese medicines. Medicines which claim containing the animal parts are also considered illegal.

Forestry officials said the investigation and handling of the case is still going on, and those involved in the production and shipping of the illegal medicines will be dealt with.

Six Executed for Counterfeiting Tax Invoices

OW2710132094 Beijing XINHUA in English 1231
GMT 27 Oct 94

[FBIS Transcribed Text] Beijing, October 27 (XINHUA)—Six criminals were executed today for causing

huge drain in state tax revenue by counterfeiting and selling value-added tax invoices.

This was made known today by vice-president of the Supreme People's Court at a press conference here today.

Of the six criminals, two were business managers, one tax collecting clerk, one retired worker and two engaging in private printing business. They were in Jiangsu, Zhejiang and Hubei provinces and Tianjin municipality.

The value-added tax invoice was introduced when China instituted the new tax system early this year.

Hu Ming, 31, a business manager in Jiangyin city of Jiangsu Province, was convicted for writing fake invoices involving 337.45 million yuan (29.24 million U.S. dollars), draining more than 8 million yuan from the state revenue.

He was sentenced to death on charges of speculation, embezzlement, bribery and tax evasion.

Wang Zhen, 32, was a tax collecting clerk of the Jiangyin City Tax Authority. He colluded with Hu and took bribes of over 60,000 yuan. He was "executed for the serious consequences of the crime," Liu said.

Chen Ertou, a 40-year-old business manager in Zhejiang Province, who also colluded with Hu Ming, produced fake value-added tax invoices involving up to 148.44 million yuan.

Cui Wenri, 51, a retired worker in Tianjin, produced fake value-added tax invoices involving 1.5 million yuan.

Two private printing shop managers in Wuhan, capital city of Hubei Province, were sentenced to death for illegally printing 800 and 8,050 fake value-added tax invoices and selling them for profits.

The vice-president of the Supreme People's Court said that "the rampant crimes of this kind in certain areas of the country have inflicted great damages to the national financial revenue system and to the implementation of major reform measures carried out by the state."

"They have also induced other economic crimes that threaten the country's economic order," he said.

The government will employ new technology and equipment to curb the counterfeiting of value-added tax invoices.

XINMIN WANBO Scheduled for U.S. Circulation

OW2810033894 Beijing XINHUA in English 0314
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—The Shanghai-based XINMIN EVENING

NEWS [XINMIN WANBAO], China's oldest comprehensive evening newspaper, will be on circulation in the United States from November 1.

Today's PEOPLE'S DAILY [RENMIN RIBAO] quoted Ding Fazhang, editor-in-chief of the newspaper, as saying that the paper will be circulated free of charge for the first two months among American-Chinese and will go on subscription January 1, 1995.

To promote circulation in the U.S., the paper has established Xinmin International Co. Ltd in Los Angeles.

Launched in 1929, XINMIN EVENING NEWS is a 16-page newspaper with a daily circulation of 1.61 million.

Military

Nanjing Region CPC Standing Committee Meets

OW2710135694 Nanjing XINHUA RIBAO in Chinese
14 Oct 94 p 1

[FBIS Translated Text] From 11 to 12 October, the Nanjing Military Region held a party committee standing committee meeting (expanded) to relay and study the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee; and to study ways and lay down a plan to carry through the guidelines in light of the military region's reality to accomplish the "great project" of building up the party in the new period.

Those attending the meeting were Gu Hui, Fang Zuqi, Guo Xizhang, Lan Baojing, Wang Tongzhuo, and Wang Chuanwu—all Nanjing Military Regional CPC Committee Standing Committee members—and major leaders of all units at the army level. The meeting seriously relayed and studied the "CPC Central Committee Decision on Some Major Issues Concerning Strengthening Party Building" and Comrade Jiang Zemin's important speech at the Fourth Plenary Session of the 14th CPC Central Committee. All comrades attending the meeting agreed that the Fourth Plenary Session was an important meeting with significance affecting the overall situation held while the country's reform, opening up, and modernization drive entered a critical stage and after tremendous achievements had been made in work in these areas. They said: Based on an analysis of the situation and tasks facing party building and of the party's current situation, the Fourth Plenary Session "Decision" expressly sets forth the goals of party building for a period ahead, especially the main tasks, guiding ideology, work principles, and major measures for party organizational building. The "Decision" is a programmatic document for party building in the new situation.

Gu Hui, secretary of the Nanjing Military Regional CPC Committee and commander of the region, set forth a plan on how to thoroughly carry out in light of the military region's reality the various tasks laid down by the Fourth Plenary Session. He stressed: The most

important thing in studying and implementing the Fourth Plenary Session guidelines is to ensure that they are truthfully carried out. Party organizations at all levels should regard truthfully carrying out the guidelines as an important task. He urged party committees at all levels, while earnestly studying and comprehending the "Decision's" essential spirit, to endeavor to solve problems in the following three respects: First, in light of the reality of troop building, we should gain an in-depth understanding of the achievements in party building and of the extreme importance of strengthening party building. We should clearly understand that more stringent demands and standards should be set for the building of party organizations of the troops. Second, we should have a clear idea of the objectives and tasks of party building; and, bearing in mind the reality of the troops, especially the prominent problems concerning party building, we should ensure that the troops' party building is properly carried out. Third, we should have a clear understanding of the key issues concerning strengthening party organizational building at the present. These key issues are: We should insist on the party ruling cadres, correct unhealthy practices, improve our leadership styles and work methods, devote our efforts to improving ideological and work-style building, continue to use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm our minds, and ensure that all infrastructural buildings of the "great project" are properly carried out.

In his speech, Fang Zuqi, deputy secretary of the Nanjing Military Regional CPC Committee and political commissar of the military region, called for further strengthening the building of party organizations of leading military organs. He said: Using the "Decision" as a driving force, we should ensure that work in all areas is truthfully carried out, ensure the party's absolute leadership over the troops, maintain our troops' nature and purposes, and accomplish in a better manner the historical tasks entrusted to us by the party and people.

Official on Ex-Servicemen's Resettlement Policy

OW2710142494 Beijing XINHUA Domestic Service in Chinese 1113 GMT 26 Oct 94

[By reporters Jia Yuping (6328 3768 1627) and Cao Zhi (2580 2535)]

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—The State Council and the Central Military Commission have decided that the policy for the resettlement of ex-servicemen will be readjusted substantially, beginning this winter.

When interviewed by these reporters today, an official of the State Council Leading Group for Resettlement of Ex-Servicemen and Retired Officers said: The major readjustments can be seen in these two areas: First, the form of resettlement. Ex-servicemen will be resettled this year according to the situation of economic development in various areas, instead of handing the resettlement

assignments to various departments to fulfill. Wherever possible, the employing units should commit themselves to hiring a certain number of ex-servicemen after discussing with the resettlement agencies to understand what they can offer. Economically underdeveloped areas unable to accept many ex-servicemen may commit to hiring some ex-servicemen in proportion to the number of workers and staff members they have. Second, the channels of resettlement. We used to resettle ex-servicemen primarily in state-owned and collective enterprises. This year, incorporated enterprises, foreign-funded enterprises, and private businesses all have obligations to accept ex-servicemen. Those trades, departments, administrative units and establishments with jobs suitable for ex-servicemen should give priority to hiring ex-servicemen. Meanwhile, the state also encourages ex-servicemen living in cities and towns to seek jobs themselves, and the local governments should give preferential treatment to ex-servicemen who volunteer to work in the private sector or who seek jobs themselves.

In view of the fact that in recent years the resettlement of ex-servicemen has been difficult in cities and towns and certain departments and units are reluctant to hire ex-servicemen, or even reject them, the official stressed: The State Council and the Central Military Commission have clearly pointed out in their decision that all departments, enterprises, and establishments must make sure that resettlement assignments handed down from the local governments must be fulfilled in accordance with state laws and the State Council's regulations governing the resettlement of ex-servicemen. When drawing up regulations and making recruitment plans, competent departments of the hiring units must make sure that the regulations and plans do not contradict the resettlement policy, and that they may not set hiring limits for their subordinate units. For resettlement assignments handed down by the local governments, no units may reject them with any excuse. For those units which reject resettlement assignments, or which are unable to fulfill the assignments, their leaders should be punished and their responsibilities should be investigated.

The official said: In their decision, the State Council and the Central Military Commission demand that, while resettling ex-servicemen in rural areas, efforts should be made to develop and use the resources of ex-servicemen whose talents can be applied in the civilian sector. All local authorities should gradually push these ex-servicemen to the labor market in an organized and well-planned manner in accordance with the needs in the labor market. For economic entities operated mostly by ex-servicemen, people's governments at all levels and all relevant departments must assist and support them through preferential policies, and all localities should earmark special funds to help these entities solve problems with respect to production and living of their workers.

Reequipped Air Force Division Commands 'Awe'*HK2710141094 Beijing JIEFANGJUN BAO in Chinese
26 Sep 94 p 2*

[By Xu Sheng (1776 3932) and special reporter Rong Qingxiang (2837 1987 4382)]

[FBIS Translated Text] In the early autumn, new-type fighters of an air unit of a certain division of the Air Force roared into the vast sky one after another. Seeing the completely new elegant demeanor of the modernization of the unit, dubbed the "sky iron fist," people would find it difficult to imagine what happened in the same skies 45 years ago.

At a grand National Day ceremony, piloted by pilots of the newly founded Aviation Bureau of the Military Commission, 17 propeller-driven airplanes, which had been captured during the war years, flew over Tiananmen Square in parade formation to receive the review of New China. Later on, some of the pilots were transferred to Air Force divisions. With the growth of New China, and with its eye-catching performances of modernization, the division has since become an awe-inspiring iron fist in the vast sky.

When these reporters were walking into the airport, new-type fighters equipped with air-to-air missiles passed over our heads whistling one after another. The fighter planes and bombers which were reviewed at National Day ceremonies in those years have long been eliminated. The division has now been equipped with advanced jet fighters which are able to fight around the clock under diverse weather conditions. The division has constructed a series of advanced ground-support facilities, such as an automatic command center and a pilot training center.

With the upgrading of weaponry, a gratifying change has taken place in the quality of the division's pilots as a whole. In the past, airplanes were flown by juvenile cowherds and "rough and ready fellows." Now, all pilots have received higher education and 80 percent of them are university graduates of regular courses. Most pilots can read publications about new foreign technical knowledge and training materials in English, and 97 percent of them are able to conduct operations in all weathers.

At the divisional command post, these reporters were informed that to enhance the unit's ability to conduct modern air battles, in recent years they had successively organized training in highly difficult subjects, such as low-altitude flying, highly intense transregional mobility, flying under unknown conditions, takeoff and landing in strong winds, high-altitude and high-curve takeoff and landings, night landings with marker lamps, and flying through clouds in close formation, thus enhancing the pilots' tactical and technical competence. Now, 90 percent of the division's pilots are up to the minimum weather standards stipulated by the training program, and all combat regiments are up to the standards of an A-category combat regiment. At an urgent and mobile

site changing exercise with a tactical background, tens of airplanes set out by day and night for a long journey on an attack mission, crossed seven provinces and autonomous regions, and took off and landed at six unfamiliar airports in the mountains, plains, hills, and deserts. They flew nearly 4,000 kilometers, and thus commanded awe in the vast sky. Last year, the troops were reequipped with new fighters. They made a scientific plan and strictly organized the work to ensure the new fighters would form a fighting force in the very year they were reequipped.

Economic & Agricultural**Li Peng: Macroeconomic Measures To Continue***HK2810084594 Beijing CHINA DAILY in English 27
Oct 94 p 1*

[By Ma Chenguang: "Macro Steps Will Keep Economy Growing: Li"]

[FBIS Transcribed Text] China will continue to launch macroeconomic measures to ensure the sustained, fast and healthy development of the national economy, Premier Li Peng said yesterday in Beijing.

"We will make constant headway in readjusting the economic structure, raising quality and efficiency and curbing inflation," Li told delegates to the ongoing 1994 Pacific Rim Forum.

Importance will be attached to macro measures while giving full play to the fundamental role of the market, he said at the Great Hall of the People.

The value of this strategy has been shown by China's successful efforts since the latter half of last year in using macro measures, including quelling price rises, to tackle the emerging new issues and problems in the economy.

The premier noted that a large number of the developing countries are now devoted to improving their economies in a bid to lift themselves out of poverty.

"Developed nations are also exploring ways to enhance the further advancement of their economies," Li said, adding that more and more countries are putting economic development on the top of their agenda.

This has resulted from the increasing role economic factors play in world affairs in the wake of the end of the Cold War, Li said.

"For the time being, new chances of world peace and development are unveiling," the premier said.

He said the dynamic economic performance of the Asia-Pacific region, which has seen brisk growth during the past decade, is contributing much to the enhancement of the world economy.

"The complicated world situation and diversified conditions in each nation cannot prevent us from embracing friendly co-existence and mutually beneficial cooperation," he stressed.

"Because in one word, we are living in the same globe."

Participants of the forum, which began in Beijing on Tuesday, include Thai Deputy Prime Minister Supachai Panitchpakdi and Association of Southeast Asian Nations Secretary-General Agait Singh.

Li praised the role of the Pacific Rim Forum in promoting political stability and economic progress in the Asia-Pacific region by its exploration of economic forms and development strategies.

Macrocontrols Urged To Reduce Inflation

HK2810082894 Beijing ZHONGGUO ZHENGQUAN
BAO in Chinese 14 Oct 94 p 1

[By Yu Li (0060 0500): "General Price Level Will Fall in Near Future; Commodity Retail Price Index for Whole Year is Expected To Rise by 18 Percent"]

[FBIS Translated Text] According to the State Information Center, in the next few months the general price level in society will slowly fall from its high point, and, compared with last year, the commodity retail price index for the fourth quarter is expected to fall to possibly 14 to 15 percent from the 19 percent in the previous quarter, while the commodity retail price index for the whole year will rise by 18 percent or so.

According to an analysis by Xu Hongyuan, who is in charge of the Forecasting Department of the State Information Center, judging from the factors that affect price increases, the following favorable factors will emerge in the next few months: First, the residual effect will gradually weaken. The residual effect of price increases concentrated mainly in the second half of last year had a comparatively great influence on price increases this year. In the first quarter, the influence of the residual effect on the general price level was 63 percent. Now, the residual effect has obviously weakened. In July, commodity retail prices rose by 21.4 percent, of which 7.9 percentage points were attributable to the influence of residual factors, and their influence on the general price level fell to 37 percent. The influence of the residual effect is expected to fall by three percentage points or so by the end of this year. Second, we will be able to succeed to a certain extent in reversing disorder in the area of commodity circulation and unstandardized price-fixing behavior in the market through strengthening administrative supervision and legal standardization. State and local governments at all levels have already formulated a series of regulations regarding the reduction of intermediary links for the agricultural means of production, the declaration system for price increases in basic daily necessities, and price ceilings on grain, edible oils, and vegetables. As long as we conscientiously carry out strict

supervision, hopefully we will be able to keep unstandardized price increase factors under control. Third, as for commodities in short supply, we can stabilize their prices at home through increasing imports and expanding supplies. As for imports of basic food supplies and important agricultural means of production and the like, we will be able to effectively control swiftly rising prices of grain, edible oils, and other basic food supplies.

Xu Hongyuan disclosed that since July last year, the commodity retail price index in society has exceeded the economic growth rate for 14 consecutive months. Retail prices in the first half of this year rose by 19.8 percent over the same period last year, and the consumer price index rose 22 percent. In July, prices continued to rise and the retail and consumer price index rose by 21.4 percent and 24 percent respectively. New price increase factors created by price reform since the beginning of the year accounted for approximately 40 percent of all new price increases. It will be very difficult to alleviate this influence in the next few months. In addition, restricted by the rigid outlay of wage costs and affected by the limited decrease in prices of other intermediate inputs, the cost-push price increase factor still exists. Therefore, lowering the general price level in the next few months still demands that macroeconomic controls are consistently maintained and that investment demand does not rebound vigorously. Moreover, it also demands that we strengthen the effective safeguard of policies and measures aimed at monitoring and controlling wages and market prices.

Vice Minister Affirms Plan To Dismantle State Firms

HK2810112094 Hong Kong AFP in English 1056 GMT
28 Oct 94

[FBIS Transcribed Text] Beijing, 28 Oct (AFP)—China will continue to close loss-making state companies, despite labor opposition and potential social unrest, the vice minister of the state economic and trade commission said Friday [28 October].

About a thousand companies that have been unable to adapt to free-market reforms have already been closed, half of them belonging to the massive public sector, which employs more than 100 million people, Chen Qingtai said during a news conference. "Many more businesses will go bankrupt," Chen predicted, without providing figures. "Reforming the companies will be our priority next year."

Prime Minister Li Peng said Thursday that a third of state firms would be privatized or go bankrupt over the next five years. Currently, almost half of these companies are generating losses, according to Chen, adding that 10 to 20 percent of the big state firms were in the red. The government has promoted the purchase of loss-making state [incomplete sentence as received]

Increased Funding for State Firms in 18 Cities

HK2810100994 Beijing ZHONGGUO ZHENGQUAN
BAO in Chinese 24 Oct 94 p 1

[By reporter Duan Wen (3008 2429) and correspondent Wen Sheng (2429 3932) in Beijing: "State Economic and Trade Commission Issues Circular on Increasing Funds at Disposal of State Enterprises in 18 Cities"]

[FBIS Translated Text] A few days ago, the State Economic and Trade Commission issued a circular on its decision to increase production and operational funds at the disposal of state-owned industrial enterprises carrying out experiments in "optimizing the capital structure" (including central enterprises in the administrative areas of the cities where they are located) in 18 cities. On the premise of enterprises mainly replenishing their own production and operational funds, the state will allocate 15 percent of the income tax which state-owned industrial enterprises in the cities actually handed over to the state treasury to replenish their funds for production and operations. At the same time, it will make arrangements for one-year loans to be used as circulating funds.

One outstanding problem facing the production and operation of state-owned industrial enterprises is that the proportion of their own funds for production and operation is excessively small and their debt burden is excessively heavy, thus they have to rely on bank loans to a greater extent. This problem is also an important reason for increasing enterprise costs and swings in enterprise production. Therefore, in the national program to conduct experiments in "optimizing the capital structure," the state has explicitly defined that before drawing out profits for accumulation funds, enterprises should use a certain proportion of their after-tax profits to replenish their own production and operational funds. They should rationally use their decisionmaking power in fund management entrusted to them by the "General Regulations Concerning Enterprise Financial Affairs" and make overall plans to use various funds, with stress on meeting the production and operational funding needs. Enterprises should gradually set up their own self-replenishing mechanisms and increase the proportion of funds at their disposal for production and operations.

It has been reported that in a recent effort to increase production and operational funds at the disposal of enterprises, the principle of enterprises mainly replenishing their own production and operational funds and of the state encouraging enterprises in terms of tax and credit policies should still be upheld.

While enterprises mainly replenish their production and operational funds, financial departments at the same level should allocate 15 percent of the profits tax enterprises in the cities actually handed over to the state treasury to them to replenish their funds for production and operations.

Banks will take the actual amount of production and operational funds held by enterprises at the end of 1993 as a base figure and will grant enterprises a certain amount of one-year loans for circulating funds every year in accordance with the increased amount of funds at the disposal of the enterprises for production and operations.

Newly established enterprises or projects and technological transformation projects should include the amount of circulating funds needed for basic purposes in the projects' budget estimates according to the relevant state stipulations, and only after receiving financial or bank certificates on capital credit will they be allowed to start construction and registration and be granted loans. Fund shortages should not be left with the normal production and operations of enterprises in operation.

When it comes to the examination and approval of technological transformation projects, in terms of project examination and approval orders, the State Economic and Trade Commission urged examining and approving projects in accordance with the proportion of the enterprises' production and operations in their current assets.

An analysis by industry experts maintains that this move will play a proper role in alleviating strains on the production and operational funds of state-owned enterprises, will promote enterprises to establish and improve a mechanism for enterprises to replenish their own funds for production and operations, and will enhance enterprises' ability to compete. It has been reported that the 18 pilot cities are Shanghai, Tianjin, Taiyuan, Shenyang, Changchun, Wuhan, Chengdu, Qingdao, Qiqihar, Tangshan, Changzhou, Bangbu, Zibo, Zhuzhou, Baoji, Harbin, and Zhongqing.

Official Urges Supervision of Land-Use Rights

HK2710142094 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0708 GMT 27 Sep 94

[FBIS Translated Text] Beijing, 27 September (ZHONGGUO TONGXUN SHE)—Recently, Zou Yuchuan, director of China's Land Administration Bureau, said: To implement "the Urban Real Estate Management Law," the Land Administration Bureau will concentrate efforts on doing a good job of the sale of land use rights and will supervise land sale contracts.

"The Urban Real Estate Management Law" is another land administration law following up the "Land Administration Law." The Land Administration Bureau has urged land administration departments at all levels to speed up the process of working out and improving a general plan for land use and an annual plan for land for construction purposes; step up efforts to study and work out an annual plan for the total area of state-owned land to be sold and supervise and inspect its implementation; do a good job of the appraisal and management of land prices, define and make public standard land prices, set

land prices, and be responsible for the confirmation of the qualifications of land appraisal agency personnel; do a good job of land registration and certificate issuance and handle affairs relating to land registration and the registration of land use changes; issue land-use rights certificates or handle issues relating to changes in land-use rights certificates; manage the land market; and do a good job of the management, supervision, and inspection of ownership-related matters, such as the sale, transfer, letting, and collateralizing of land-use rights.

Zou Yuchuan said: The "Urban Real Estate Management Law" has standardized the main behavior of traders in the real estate market, and, at the same time, has standardized the managerial behavior of the government. The law sets a total quantity limit on land for real estate development purposes and stipulates that the amount of money involved in the sale of land-use right which is conducted in the form of an agreement should not be less than the minimum price set by the state.

State Council Launches Price Investigation

OW2810034894 Beijing XINHUA in English 0337
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—The State Council, China's highest governing body, will dispatch seven inspection teams to help promote inspections on taxation, accounting and price control which have been carried out nationwide.

According to the Inspection Office under the Ministry of Finance, the inspection groups consist of 35 members, most of whom are senior government officials from various central government departments or deputies to the National People's Congress and National Committee members of the Chinese People's Political Consultative Conference.

The inspection groups will spend around 50 days in 14 provinces and municipalities such as Hebei, Liaoning, Shanghai, Jiangsu, Henan, Sichuan, Hunan, Beijing, Shandong, Fujian, Zhejiang, Shaanxi, Hubei and Guangdong and return to Beijing in mid-December.

Zhu Rongji Meets Investment Bankers

OW2710140194 Beijing XINHUA Domestic Service in Chinese 0853 GMT 25 Oct 94

[By reporter Ding Jianming (0002 1017 6900)]

[FBIS Translated Text] Beijing, 25 Oct (XINHUA)—With the approval of the People's Bank of China, five Chinese and foreign organizations signed an agreement at Diaoyutai last night to jointly establish the China International Banking Co., Ltd. The five organizations are the People's Construction Bank of China, the China National Investment and Guaranty Corporation, the Morgan Stanley Group Inc. of the United States, the Government of Singapore Investment Corporation, and Hong Kong's Mingly Corporation. This will be China's

first investment banking company, and marks an important step taken by China toward further opening up its banking service sector.

It is reported that the China International Banking Co., Ltd.'s goal is to further widen the channels through which China brings in foreign capital, and to become a world-class and full-fledged international investment banking company. Its registered capital is initially placed at \$100 million. The People's Construction Bank of China will hold a 42.5 percent stake; the Morgan Stanley Group Inc., 35 percent; and the rest, 7.5 percent each. The China International Banking Co., Ltd. will undertake various investment banking services, including helping Chinese companies and Sino-foreign joint ventures raise funds in international markets, reorganizing domestic enterprises, and assisting with direct foreign investment in domestic enterprises, industrial facilities, and infrastructure.

Prior to the signing ceremony, Zhu Rongji, vice premier of the State Council, met with representatives of the company's five stockholders.

It is also reported that the Morgan Stanley Group Inc. today set up an office in Beijing to further expand its market share and business in China. This was the second office that the company set up in China, following the establishment of its Shanghai office last February.

Three Major Policy Banks Begin Operations

HK2710151094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0730 GMT 16 Oct 94

["Special feature" by Szu Liang (1835 5328): "China's Three Major Policy Banks Go Into Operation"]

[FBIS Translated Text] Hong Kong, 16 Oct (ZHONGGUO TONGXUN SHE)—Mainland China's newly established three major policy banks—the State Development Bank of China, the Import-Export Bank of China, and the Agricultural Development Bank of China—have formally started business one after the other. So far, they have operated smoothly, and the functions of the policy banks and those of the commercial banks have thus been initially separated.

The resolution adopted by the Third Plenary Session of the 14th CPC Central Committee, which was held last year, and the government work report delivered in March this year both regarded the formation of the three major policy banks as a key move for China in deepening reform of its financial and investment structures. It is thus clear that Chinese leaders place high hopes on the policy banks.

Of the three policy banks currently operating, the State Development Bank, which is a policy investment development bank, mainly finances key state construction, handles lending to key state construction transformation projects, and operates discount business. The Import-Export Bank mainly provides loans to import complete

sets of large-scale equipment and also provides discount credit to export complete sets of mechanical and electronic products, as well as export credit guarantees. The Agricultural Development Bank mainly provides policy-related loans to areas such as state grain, cotton, and edible oil reserves; the procurement of agricultural and sideline products; and agricultural development.

The formation of the State Development Bank will provide a new means with which the central government tightens control over the general volume of investment in fixed assets and structural adjustments. Not only should the bank handle financial matters, but it should also attend to matters relating to policy, technology, and finance simultaneously by using the experiences of similar banks in the world as reference, and it should serve the policy intentions of the government. It has decision-making power in balancing its own funds, operates on a capital-guaranteed basis, and will play an effective role in regulating and controlling the overexpansion of capital construction.

According to a briefing, the State Development Bank has a total credit scale of 80 billion yuan this year, constituting one-third of the nation's newly expanded credit scale. Since beginning operations in March this year, the bank has extended over 30 billion yuan in loans to finance more than 100 key construction projects. Of the bank's financial sources, apart from the portion of financial capital, its capital mainly comes from the issuance of financial bonds and operational funds. To support the state's important infrastructure and mainstay industries, such as the Three-Gorges Project and the Beijing-Kowloon Railroad, the bank has issued 65 billion yuan in financial bonds to domestic state-owned commercial banks and nonbanking financial institutions without actually printing the bonds.

According to an official from the bank's International Financial Bureau, in the last quarter of this year, the bank will raise, for the first time, a \$50-million commercial loan abroad for the many energy and raw and semifinished materials construction projects at home. Next year, it will issue no less than \$100-million of bonds in foreign countries. It has been reported that the State Development Bank of China has been involved in almost all of the projects on the mainland which use loans granted by foreign governments, the World Bank, the Asian Development Bank, and Japan's Overseas Funding and Export Bank.

Since it started operations in July, the Import-Export Bank of China has established cooperative relations with more than 100 financial institutions in the world and agency relations with 20 banks in the United States, Britain, Japan, and France, and it has handled many deals involving vendors' credit. It is now actively developing export credit insurance and guarantee services. This year the bank will issue, for the first time, financial bonds worth 1.7 billion yuan on the domestic market to raise funds for export credits.

The Agricultural Development Bank of China, which started business in September, has become the third newly established policy bank following China's financial reform. Being different from the other two policy banks, the Agricultural Development Bank plans to set up branches in some of the provinces and autonomous regions where policy-related businesses are relatively concentrated by the end of this year.

Up to now, the three major policy banks have operated normally. However, a mainland financial official reminded us that in the days to come two tendencies should be avoided: 1) Policy banks being viewed as "appropriation institutions" and all nonmoney-making projects being shifted to the policy banks. 2) Not being content with doing what others do not want to do, the policy banks intend to scramble with others for what the others want to do.

Commentary Stresses Banking Supervision, Control

OW2710140294 Beijing XINHUA Domestic Service in Chinese 0922 GMT 26 Oct 94

[Article by unidentified XINHUA special commentator: "Tightening Supervision and Control Over Banking Institutions To Maintain Order in the Banking Sector"]

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—The State Council recently issued a circular in which it relayed the People's Bank of China's opinions on tightening supervision and control over banking institutions. This was yet another major measure taken by China as it continues to restore order in the banking sector and tighten supervision and control over banking institutions.

Supervision and control over banking institutions is an important task in the state's administration of banking institutions as well as an important function of the central bank. All countries, be they highly developed or fledgling market economies, recognize the importance of strict supervision and control over the banking sector. Tightening supervision and control over banking institutions is vitally important for ensuring normal order in the banking sector, regulating the activities of banking institutions and the operations of monetary markets, keeping the banking system secure and stable, protecting the public's interests, implementing the central bank's monetary and credit policies, and promoting the healthy development of the economy and the banking sector.

In recent years, people's banks at all levels have achieved considerable results in exercising supervision and control over banking institutions. They have devoted tremendous efforts to formulating banking laws and rules, maintaining and restoring order in the banking sector, and improving management with respect to the examination and approval of applications for setting up banking institutions. Since last year in particular, they have resolutely fulfilled the demands made by the CPC

Central Committee and the State Council regarding banking business through their earnest implementation of relevant rules and regulations. With the full support and cooperation of party and government departments in all localities, they have actively promoted banking reform, seriously restored and maintained order in the banking sector, and remedied the practice of indiscriminately collecting funds, making investments, making loans, and increasing interest rates without authorization. They have thus played their due roles in ensuring the implementation of the state's measures for tightening and improving macroeconomic regulation and control; in creating a favorable banking environment; and in promoting sustained, rapid, and healthy national economic development.

Generally speaking, there still exist quite a few problems in supervision and control over banking institutions. Supervision and control are still rather weak in some areas. The central bank's supervision and control over banking institutions cannot keep pace with the current development of China's banking sector. Notably, some local governments and departments illegally authorize the establishment of banking institutions, and some branches of the People's Bank of China overstep their authority in authorizing the establishment of banking institutions. Some units undertake banking business without the approval of people's banks. The problem of illegal operations undertaken by banking institutions that fall outside their business scope and that violate relevant rules and regulations is also rather serious. Some banking institutions violate interest rate policy, and management is far from perfect with respect to the registration of banking institutions as legal persons and the issuance of stock to increase the capital of banking institutions. The prompt resolution of these problems will promote the further improvement of order in the banking sector, consolidate the gains made since July last year in restoring order in the banking sector, and promote the smooth implementation of the central bank's monetary policy and the banking system's efficient operation and healthy development.

As China's central bank, the People's Bank of China must exercise strict supervision and control over banking institutions. This includes rigorously screening banking institutions set up with the approval of local authorities that act without authorization; tightening control over the examination and approval of applications for setting up banking institutions; strictly forbidding localities and departments to approve, without authorization, the establishment of all kinds of banking institutions; strictly prohibiting nonbanking institutions from undertaking banking business; strictly controlling the capital of banking institutions in terms of its sources and authenticity; strictly defining the business scope of various banking institutions; and rigorously investigating and dealing with violations of relevant rules and regulations by banking institutions and operations

undertaken by banking institutions outside their business scope in contravention of relevant rules and regulations.

Aside from formulating and implementing monetary policy, an important function of the People's Bank of China as a central bank is to exercise supervision and control over banking institutions, to maintain normal order in the banking sector, and to keep up the effective and orderly flow of capital in society so as to protect the interests of depositors and the public. This major function and the one mentioned in the above are mutually restrictive and inseparable. Past experience demonstrates that effective implementation of the central bank's monetary policy will be difficult in the absence of adequate supervision and control over banking institutions, and if the banking sector is in disarray. Therefore, the People's Bank of China's branches must change their functions, firmly implement the various policies on exercising strict supervision and control over banking institutions, and maintain normal order in the banking sector.

Because supervision and control over banking institutions covers a wide range of areas, has strong policy implications, and is complicated, local governments and departments at all levels should firmly implement relevant provisions of the CPC Central Committee and the State Council, actively support and work with the People's Bank of China in exercising supervision and control over banking institutions, and jointly maintain order in banking and promote economic development.

Planning Commission To Control Bond Issues

HK2810082694 Beijing ZHONGGUO ZHENGQUAN
BAO in Chinese 13 Oct 94 p 1

[By Xie Yue (6200 1878)]

[FBIS Translated Text] It has been reported that the State Planning Commission will carry out financial and banking management work next year, with curbing inflation as the center and enterprise reform, which is aimed at establishing a modern enterprise system, as the main content and demand, while continuing to strengthen the planned management of securities.

The commission pointed out: Next year, we will further unify our thinking and understanding on the development of the securities market, particularly the bond market. Issuing securities, raising funds, changing operational mechanism, and fostering the market are the objective demands for the development of a socialist market economy. We should consider problems from the heights of promoting the direct circulation of necessary funds, diluting enterprises' reliance on the state and banks, enhancing enterprises' sense of responsibility, and establishing an enterprise self-restraining mechanism rather than confining ourselves to raising funds. Moreover, we should do a good job of managing securities in active coordination with the relevant departments. When it comes to the management of bonds,

together with the relevant departments and in accordance the new "regulations" and the "Company Law," we should do a good job of work in such areas as the selection of bond-issuing enterprises, the examination and approval of bond issues, supervision of the direction of investment funds, and the guaranteed payments of matured bonds and the halting of all bond issues in excess of plans and the examination and approval of bond issues by exceeding one's authority. As far as localities where problems have emerged more frequently are concerned, in the days to come, their bond plans should be reduced appropriately to avoid harmful consequences, such as increasingly heavy enterprise burdens and breaches of faith with society.

Although the 1995 bond issuing plan has not yet been defined, localities are encouraged to do some preparatory work, support key state construction in line with the requirement of putting the number of newly started projects in a specific year under strict control, ensure funds needed by projects which are to be completed and put into operation soon by giving consideration to both economic efficiency and industrial policy, and do an earnest job of reporting the selection of bond-issuing enterprises and planning work to the higher authorities. Meanwhile, it is necessary to fully appraise and consider bond-issuing enterprises with stress on the nature of the industry, efficiency, and debt-repayment ability of the enterprises and to put the bond issuance-fund use-debt-repayment process under overall management.

The State Planning Commission will also improve laws and regulations governing the issuance, circulation, and trading of securities to promote the securities market to gradually develop in the course of competition and operate in a regular, rational, and orderly way, and to reduce nonconventional investment shocks.

The commission also pointed out: Next year, we will investigate, calculate, ascertain, and balance the total-quantity structure and flow of social funds; coordinate relevant departments in accordance with the state's industrial, financial, and credit policies, and effectively dispose of funds by making comprehensive use of various financial and banking economic levers; do a good job of raising, distributing, and managing funds for key state construction; and accelerate the completion of a number of projects in "bottleneck" industries and basic industries so that they can go into operation, and enhance the entire society's aggregate supply capability.

State Council on Boosting High-Tech Exports

HK2810091994 Beijing ZHONGGUO XINWEN SHE
in English 1236 GMT 27 Oct 94

[FBIS Transcribed Text] Beijing, October 27 (CNS)—A series of stipulations based on a State Council circular on speeding up transform of scientific research results into production and improving export commodity pattern have been made in a bid to encourage export of commodities with technology and increase added-value of

such commodities. These stipulations, submitted by Ministry of Foreign Trade and Economic Cooperation, State Science and Technology Commission as well as State Economic and Trade Commission, have been approved by the State Council recently.

The stipulations can be boiled down to the following three aspects.

First, scientific and technological institutes and industrial enterprises are encouraged to set up joint ventures with foreign trade firms. These institutes are allowed to convert their research results or professional technology into shares or investment capital, so as to participate directly in production or foreign trade.

Second, state banks should provide loans mainly to those who turn research results into actual production, those who use research results for large-scale production and those who expand their export. To guarantee the export of both technology and complete sets of equipment, each year China would continue to earmark a certain amount of Renminbi and foreign exchange for loans. Those engaged in export of technology, complete sets of equipment and high-tech products are privileged to get foreign currency they need from the state. Enterprises that manage their own export of technology, complete sets of equipment and high-tech products will have the privileges enjoyed by foreign-funded enterprises as far as tax return for export is concerned.

Finally, approval procedures for such exports will be greatly simplified. Those working in these enterprises and scientific institutes who need to go abroad frequently to promote their commodities, inspect implementation of contracts or for after-sale service are given one-year valid documents for going abroad. Intermediate services are encouraged to set up to promote exchange of information between foreign trade firms, industrial enterprises and scientific and technological institutes.

Foreign-Funded Enterprises Must Set Up Trade Unions

HK2810084794 Beijing CHINA DAILY in English 27
Oct 94 p 3

[By Cao Min: "Firms Face Deadlines for Unions"]

[FBIS Transcribed Text] All the overseas-funded enterprises in China's coastal provinces that began operating before June must set up trade unions by the end of this year.

In other places, at least 60 percent of these firms must complete preparations for the establishment of trade unions, according to Yang Xinfu, Vice-Chairman of the All-China Federation of Trade Unions.

The federation recently investigated the union situation in 12 provinces and municipalities where overseas-funded enterprises are concentrated, including Jiangsu, Shandong, Guangdong and Shanghai.

The study shows that by the end of June, 17,477, or one-third, of the 52,340 overseas-funded firms in the 12 areas had established trade unions.

In the first six months of the year, trade unions were set up in 1,460 overseas-funded enterprises in Jiangsu Province and 942 in Shandong Province.

To supervise the work, the People's Congress standing committees of 14 provinces have passed the regulations on trade unions in overseas-funded enterprises, Yang said.

He added that he hopes the local branches of the federation will make every effort to promote the establishment of trade unions in joint ventures.

While the legal rights and interests of overseas investors must be respected and protected, Yang said, "The employees in these firms are also the masters of our country, whose rights and interests should be protected by the Constitution and laws of the State."

An inspection of labour conditions in Haikou, the capital of Hainan Province, revealed that some joint ventures and private enterprises seriously infringe on their workers' rights and interests.

Nearly all such firms force their employees to work overtime.

For example, the workers in a joint venture producing garments have to work 12 hours a day and receive only 50 fen (\$0.06) extra for each hour of overtime.

About 70 per cent of the firms that violated their workers' rights cheated employees out of wages that they had earned under employment contracts.

Trade unions are needed to help attract overseas investment and to help overseas-funded firms flourish, Yang said.

Besides protecting workers' rights and interests, China's trade unions help their members establish stable labour relationships with employers, promoting the development of the enterprises.

From now on, enterprises that obtain overseas funding should set up trade unions within a year of beginning operations, as required by Chinese law, the federation said.

Interim Commodity Import Control Procedures

HK2810060094 Beijing GUOJI SHANGBAO in Chinese
30 Aug 94 p 2

["Interim Procedures for Commodity Import Control"]

[FBIS Translated Text] The Decree of the Ministry of Foreign Trade and Economic Cooperation of the PRC and the State Planning Commission of the PRC No. 3,

1994 "Interim Procedures for Commodity Import Control," which has been approved by the State Council, is now promulgated and will take effect as of 1 July 1994.

[Signed] Minister Wu Yi

[Signed] Minister Chen Jinhua

[Dated] 19 July 1994

Chapter I: General Principles

Article 1. These procedures are formulated with a view to catering to the development of the socialist market economy, vigorously organizing the importation of goods needed for domestic economic construction, and maintaining normal order in import business.

Article 2. These procedures shall govern the importation of goods by all enterprises, institutions, governmental bodies, and social groups (hereafter referred to as importing organizations).

Chapter II: Principles of Operation and Management

Article 3. The state adopts management by catalogue over commodity importation. Included in the catalogue are a small number of staple raw materials, which are either vital to the national economy and the people's livelihood, are susceptible to monopoly in world markets, or are sensitive to price fluctuations. The importation of the described commodities shall be handled by the authorized corporations, i.e. those foreign trade corporations (including specialized foreign trade corporations, comprehensive foreign trade corporations, trade and industry corporations, united foreign trade corporations, and commerce and material supply companies with import and export rights) which have been approved by the state as competent in business management and capable of furnishing excellent services. The importation of the commodities not included in the catalogue can be handled by various types of enterprises, which have been granted import and export rights, according to their respective business scopes.

Article 4. Currently, altogether 12 commodities have been placed under the management of state-authorized corporations. (Please refer to the appendix of the catalogue). According to changes in international and domestic markets as well as in the management of imported goods, adjustment proposals regarding the catalogue of commodities run by authorized companies may be put forward by the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] in collaboration with relevant departments. With the approval of the State Council, the adjusted catalogue shall come into effect.

Article 5. With the exception of wheat, crude oil, finished oil products, and tobacco, the importation of each imported commodity item managed by authorized companies shall be handled by one or two local foreign trade corporations, which have been recommended by the commission (department or bureau) of foreign trade and economic cooperation of a province, autonomous

region, municipality, or city especially designated in the state plan according to their management capability and service quality and which are verified and made public by MOFTEC.

Article 6. The foreign trade corporations under various departments which handle the commodities placed under the management of state-authorized corporations shall be verified and made public by MOFTEC.

Article 7. Any unit which intends to import a certain commodity placed under the management of state-authorized corporations may at its discretion request a foreign trade corporation, which is authorized by MOFTEC, to handle the commodity and to act as an agent in importing the commodity. Commodities subject to unified importation by the state (including those placed under the management of authorized companies) shall be handled by the foreign trade corporations designated by MOFTEC.

Article 8. Major users of commodities placed under the management of authorized companies are encouraged to form partnerships with relevant foreign trade corporations to bring into play their respective advantages and jointly do a good job in operations.

Chapter III: Coordination and Supervision

Article 9. With regard to commodities under the management of authorized companies, a special branch shall be established by the relevant import and export chamber of commerce to coordinate and supervise the operational order and prices of the imported commodities.

Article 10. The authorized foreign trade corporations shall join corresponding commodity branches described above and shall be subject to the coordination and supervision of the relevant import and export chamber of commerce, which shall issue special branch membership certificates.

Article 11. Coordination and supervision carried out by the import and export chambers of commerce shall be based on the principle of "self-management, self-restriction, and self-coordination." The chambers will actively coordinate prices, supervise the operational order, and render services to their members.

Article 12. In case of a drastic increase in the importation of a certain commodity or if a chaotic importation order causes grave damage to domestic production, MOFTEC may adopt some interim measures, including a reexamination of the qualifications of the authorized corporations, to exercise macro control over the operational order of imported commodities.

Chapter IV: Supplementary Provisions

Article 13. The import management of foreign-invested enterprises shall be subject to the current laws, rules, and regulations.

Article 14. Management of imports with the use of international loans in foreign exchange shall be subject to the related loan agreements.

Article 15. Import management related to barter trade, processing of imported materials, or processing of overseas-supplied materials shall be subject to the current regulations.

Article 16. The importation of commodities by units in special economic zones for the use of special economic zones may be handled by import and export enterprises according to their business lines.

Article 17. These procedures shall be interpreted and implemented by MOFTEC.

Article 18. In case any previously promulgated regulations contradict these procedures, the latter shall prevail. These procedures shall take effect from 1 July 1994.

Appendix: Catalogue of Commodities To Be Imported by State-Authorized Corporations

1. Wheat;
2. Crude Oil;
3. Finished oil products, namely gasoline, diesel fuel, and kerosene;
4. Chemical fertilizers, namely nitrates, potash, phosphate, and compound fertilizers;
5. Rubber, namely natural rubber;
6. Steel products, namely sheets, wire stock, section bars, tubular products, and tin plate
7. Timber, namely logs;
8. Single-ply plywood, laminates, and veneers;
9. Wool, namely crude wool, scoured wool, and wool tops;
10. Acrylic, namely short acrylic fibers, tops, and silk yarn;
11. Cotton, namely raw cotton;
12. Tobacco and its products.

Notes:

1. Currently it has been decided that wheat is to be handled by the China National Cereals, Oils and Foodstuffs Import and Export Corporation and the China Liangfeng Cereals Import and Export Corporation; crude oil and finished oil products by the China National Chemicals Import and Export Corporation, China International Petrochemical United Corporation, and the United China Petroleum Corporation; tobacco and its products by the China Tobacco Import and Export Corporation.

2. In case the importation of the above 12 commodities is subject to state quota administration, import licenses shall be required according to the relevant regulations; in cases of being subject to automatic registration administration, certificates of registration shall be required according to the relevant regulations. Customs clearance shall be subject to import licenses or certificates of registration.

Intellectual Property Rights Protection Increased

HK2810072094 Beijing ZHONGGUO ZHENGGUAN
BAO in Chinese 15 Oct 94 p 1

[FBIS Translated Text] Our country is actively strengthening its protection of intellectual property rights. Recently, inspections were carried out across the country to uncover and deal with serious rights infringements and to clamp down on illegal and criminal activities. At the same time, efforts have been stepped up to boost propaganda on the protection of intellectual property rights, and considerable results have been seen in raising social awareness of protecting such rights.

According to sources, since the State Council issued the decision to further strengthen protection of intellectual property rights and convened a teleconference on strengthening intellectual property rights, local authorities throughout the country have taken vigorous actions to perfect laws on intellectual property rights and boost protection of them. At present, 10 provinces, cities, autonomous regions, and cities separately listed in plans, such as Shanghai, Hainan, Liaoning, Ningxia, and Shenzhen, have established a work conference system to coordinate protection of intellectual property rights. Concerned departments such as the State Copyright Administration and the PRC General Administration of Customs have unveiled a range of measures to protect intellectual property rights.

It is learned that on 15 September, the General Administration of Customs put into effect measures to protect intellectual property rights in the area of commodity imports and exports. Commodities infringing on intellectual property rights are banned from being imported or exported. When imports or exports are reported to have infringed on intellectual property rights, or are under suspicion, Customs reserve the right to demand the senders or recipients of such exports and imports produce legal certification on the use of the relevant property rights and file additional information on the intellectual property rights status of the shipments. Customs reserve the right to return goods for which legal proof is absent to their point of origin. In the case of imported compact and laser disc players, and the model plates and components for compact and laser disc players imported as materials for value-added processing, the senders and recipients of such shipments should, in accordance with state requirements, go through customs procedures armed with approval certificates issued by special audio-visual administrative departments. Customs will follow the relevant provisions of the law in dealing seriously with shipment senders or recipients who file inaccurate declarations on the intellectual property right status of imports or exports or try to bypass Customs' inspections or smuggle goods which violate intellectual property rights.

The State Copyright Administration has drawn up a plan in which it will demand copyrights administrative departments at all levels continue to crack down on

illegal publications, counterfeit editions, and counterfeit printing in coordination with and supported by the law-enforcement departments concerned. They should act in conjunction with the relevant state departments to launch vigorous inspections of computer software markets to uncover copyright infringements and to fine people responsible for illegally reproducing and selling computer software.

Beijing To Offer Projects for Foreign Investors

OW2710133194 Beijing XINHUA in English 1244
GMT 27 Oct 94

[FBIS Transcribed Text] Beijing, October 27 (XINHUA)—Beijing will offer more than 400 projects for domestic and overseas investors, according to a news conference held here today.

The projects include those in urban construction, agriculture, technical transformation for industrial enterprises, service industry, rehabilitation of old housing and construction of satellite towns.

The projects will be made known at the coming meeting on economic and technology cooperation and investment talks for the Bohai rim region scheduled for October 29-November 4 this year.

The region includes several provinces and municipalities around the Bohai Bay in north China.

Official on Future Cooperation With HK Investors

HK2810092294 Beijing ZHONGGUO XINWEN SHE
in English 1124 GMT 27 Oct 94

[FBIS Transcribed Text] Beijing, October 27 (CNS)—Hong Kong businessmen having intention to invest in the mainland have to have better understanding on which sectors and items available in the mainland show investment prospects under the macroeconomic regulation plan in years to come.

The Director of Long Term Program and Industrial Policies Department of the State Planning Commission, Mr. Lan Shiliang, said that as time was approaching 1997 when Hong Kong would revert to the mainland, complementary cooperation between the territory and the mainland in the economic sector became much more obvious. Under the circumstances that economic prosperity and political stability in the territory had to be maintained, the two places should exploit structural cooperation based on the relationship of complementary cooperation for seeking short as well as long term interests. New type of cooperation has to be exploited for the sake of the two places.

Speaking at a luncheon held by a commercial chamber recently, Mr. Lan briefed participants on the national key industry and industrial policy set for the 1990's. Touching on industries such as machinery, electronics, chemical industry, car making and construction, all of which are made pillar industry in the 1990's, Mr. Lan

said that all these industries were of great coverage of influence and of high technological level involved with a promising market. The director noted that it was vital to adjustment of the industrial pattern and to upgrading the overall quality of the national economy. As the market competitiveness mechanism was positively exploited, state industrial policy should be applied to these industries in which disadvantages were generally seen including scattered investment, small scale and low economic and technological level as well as poor competitiveness.

Mr. Lan specially pointed out that the state authorities would be centered on adjustment of the structure of import and export commodities. Potential cooperation between Hong Kong and the mainland would be great as the mainland was trying its best to upgrade the attached value of its export commodities and to enable development of primary products into finished products involving intensive processing.

The director said that no matter what kind of change in resources and other production conditions at home or change in the international market and economic condition in the 1990's, development of foreign economic activities and trade was highly required in order to facilitate agricultural exploitation, speed up exploitation of basic facilities and basic industry and reinvigorate pillar industry.

Market Opening to Foreign Accountancy Firms

HK2810093794 Beijing ZHONGGUO XINWEN SHE in English 1305 GMT 27 Oct 94

[FBIS Transcribed Text] Beijing, October 27 (CNS)—The Mainland state-owned enterprises annually lose their assets valued at as high as RMB [renminbi] 10 billion. Such a vast loss is usually resulted from imperfect accounting practice such as selling the rights of use of state-owned land at an extremely low price, allowing private companies to use state-owned assets without paying.

Therefore, the role of accountancy firms in China's economic development has drawn more and more attention from relevant state departments. The market-based economy needs a large number of registered accountants and high-quality accounting service, whereas the mainland lacks adequate experience and talents in this sector. Therefore, Chinese Government is gradually opening its market to overseas accountancy firms, welcoming them to set up representative organizations in the Mainland.

To date, 30 permanent representative offices of accountancy firms from Hong Kong, Taiwan and overseas have been approved to be established in Dalian, Shanghai, Shenzhen and so on. In addition, the mainland has also issued temporary permits for professional practice to more than 140 small and medium-sized accounting firms from Hong Kong and Taiwan. Mr. Ding Ping, deputy secretary-general of the China Registered

Accountant Association, said recently that there had been no limitations posed on establishment of representative offices and temporary professional practice by overseas accountants. However, the representative offices were allowed to offer only such consultation services as accounting, auditing, taxation; temporary practice was allowed to undertake only relative audit business and term of this practice was half of a year.

Besides, the mainland also has three other forms to be open to the market. First, Sino-foreign cooperative accountancy firms. Seven firms of this kind have been approved. Second, the mainland accountancy firms may become members of the famous international accountancy firms. The Yongdao Accountancy Firm under the China International Trust and Investment Corporation and the Shenzhen Zhonghua Accountancy Firm have become members of the two famous international accountancy firms. Third, the mainland registered accountant exam has been open to overseas people. 481 overseas people sat exam in Tianjin on September 22 this year.

Prospects of the mainland's market are attractive to Hong Kong, Taiwan and overseas accountancy firms. Business undertaken by the overseas accountancy firms in China in early time of the reform and openness was limited to commercial consultation and taxation affairs, and their clients were mostly those they had used to serve in the past. Till 1992 when the Ministry of Finance changed its policy, allowing international accountancy firms set up foreign-Chinese accountancy firms in the mainland, the situation has changed since then. At present, more than 20 notable international accountancy firms have applied for setting up representative offices in the mainland.

The mainland has now got over 25,000 accountants, far less than the goal of 100,000 accountants by the end of this century set by the Ministry of Finance. Therefore, there will be much more opportunities for overseas accountancy firms to practice in the mainland.

Foreign Loans To Boost Telecommunications

OW2810033094 Beijing XINHUA in English 0304 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—China has signed contracts for the use of over five billion U.S. dollars in foreign loans for the development of telecommunications, according to a report from POSTS AND TELECOMMUNICATIONS NEWS [YOU DIAN XINWEN].

The paper, administered by the Ministry of Posts and Telecommunications, said, China started to use foreign investment for its telecom sector in 1983. From 1986 to 1990, the country introduced digital telephone switchboards for the construction of urban telephone networks in Tianjin, Shanghai and Guangzhou, which has greatly alleviated communication shortage in the three large cities.

Meanwhile, a Chinese telecommunications department has established a joint venture with Bell Telephone Manufacturing Co. of Belgium in Shanghai in the production of advanced program-controlled telephone switchboards.

Apart from loans by foreign governments and international financial organizations, China has also used interest discount credits from 15 countries such as Japan, Sweden, Canada, Belgium, Spain, France, Australia, Germany, Norway and Finland as well as Asian Development Bank and the World Bank.

These credit loans have been used in the introduction of 18 million-line local telephone switchboards and 1.6 million long distance telephone lines. 25,000 kilometers of optical cable trunks, 15,000 kilometers of microwave telecommunication trunks lines and 18 satellite ground stations have been built with the loans.

Meanwhile, China has established more than 40 joint ventures in the production of program-controlled telephone exchanges, optical telecommunications, mobile communications and digital microwave communications equipment with the investment of 300 million U.S. dollars from the United States, Britain, Germany, France, Japan and the Republic of Korea.

Since China encourages the development of posts and telecommunications in its industrial policies, a spokesman from the posts and telecommunications said China is willing to expand cooperation with the outside world in production and research of telecommunications sector.

The spokesman said the ministry hopes China can attract another six billion U.S. dollars in foreign loans in the years ending 2000 to promote China's telecommunications development with the focus in the coastal areas, provinces along the Chang Jiang river, and the border areas.

Telecommunications Develop Rapidly

OW2810020494 Beijing Central Television Program
One Network in Mandarin 1100 GMT 27 Oct 94

[From the "National News Hookup" program]

[FBIS Translated Text] According to the first national conference on radio monitoring [wu xian dian jian ce hui] in Beijing today, the telecommunications business has been developing rapidly in China in recent years

By the end of 1993, the total number of radio stations [wu xian dian tai] had exceeded 3.2 million [figure as heard] in the country. Compared with 1978, the absolute number [jue dui shu liang] of stations increased more than ten times.

By September this year, the number of cellular phone subscribers had exceeded 1.2 million, and radio paging services have been established in more than 1,500 cities and counties with more than 10 million subscribers.

China has become the world's second largest country for paging services, next only to the United States.

The conference stressed the need to develop frequency spectrum [pin pu] resources, and maintain the order of radio waves on air.

Economist Denies Adjusted Statistics Unreliable

HK2810053994 Hong Kong SOUTH CHINA
MORNING POST in English 28 Oct 94 p 12

[By Josephine Ma]

[FBIS Transcribed Text] Statistics submitted by local governments often fail to give a clear and accurate picture of the Chinese economy, according to a top economist.

Qiu Xiaohua, Chief Economist of the State Statistical Bureau (SSB), said the problem of raw data collection was particularly serious among township enterprises and service industries.

While many township businesses tended to exaggerate their capital and income, service industries preferred to "under-report" their performance, he said.

Speaking at a recent seminar in Hong Kong, Mr Qiu said the SSB had to adjust some of the raw data to limit the degree of error.

"The one (problem) which had the largest effect was the statistics on investment of township enterprises. This problem is less serious among enterprises above the county level," he said.

Regular inspections would also be conducted on the accuracy of the statistics, he said.

By comparing the data collected from different parties, the Chief Economist said it was not too difficult to correct some of the errors found in the raw data submitted by the local governments.

He said that in China, economic growth rates were inflated one to two percentage points because of industry stockpiling.

On the other hand, the Chief Economist said the inflation figures collected by local governments were generally two percentage points below the real figures.

But he denied that statistics released by the Chinese Government were unreliable, saying there was often a gap between what people felt and what the reality was as explained by statistics.

China Imports Almost 150,000 Automobiles

OW2810090494 Beijing XINHUA in English 0825
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—China imported a total of 146,180 automobiles during the first eight months of this year, with the trade

volume reaching 1.97 billion U.S. dollars, according to an official with China's automobile industry.

In the period, China imported some 83,500 sedan cars.

Japanese-manufactured cars still ranked first with the number hitting 37,600, and Germany and the United States were listed as second and third in their car exports to China with the number reaching 13,900 and 13,700 respectively.

Other imported automobiles included 15,300 cross-country vehicles and station wagons, 37,200 freight wagons and a small number of buses, dump trucks and automobiles for special purposes.

Statistics Bureau: Employment Outgrows Population

OW2810073694 Beijing XINHUA in English 0655
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—China's employment growth rate during the 1992-1993 period was 1.3 percent, bigger than population growth during the same period, according to the latest statistics.

The State Statistics Bureau said that employees nationwide numbered 602.2 million by the end of last year, 7.88 million more than in 1992.

According to the bureau, China's employment structure has over the past years showed new features.

The proportion of women among all employees has climbed slightly to reach 43.8 percent, the bureau said.

It said that China has got an aging working population, with average age of the employees standing at 36 years, five years older than in 1978.

It added that the employees are better-educated than ever, as 1.9 percent of the total have received higher education of no less than two years at college and 11.1 percent have received senior middle school-level education.

Some 94 percent of the employees work in publicly-owned enterprises, such as in state-owned and collectively-owned enterprises, the bureau said.

The rest six percent, or 36 million, are self-employees or employees in privately-owned enterprises and solely-owned foreign ventures. [sentence as received] The figure is three percentage points higher than in 1990.

Per-Capita Earnings in 537 Counties Top 1,000 Yuan

OW2810100294 Beijing XINHUA in English 0935
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—China had 537 counties and cities with an

average per-capita net income topping 1,000 yuan in 1993, according to the State Statistics Bureau.

An official of the bureau said that the number of such counties and cities is 217 more than in 1992.

Such counties and cities have a total rural population of 228.73 million and 19.86 million hectares of cropland, he said.

Rural residents in 56 of the 537 counties and cities earned an average net income exceeding 2,000 yuan last year, he said.

Two thirds of these counties and cities are concentrated in coastal areas in eastern and northern China, including the big cities of Beijing, Tianjin and Shanghai, and Guangdong, Fujian, Zhejiang, Jiangsu and Liaoning provinces.

Earnings of the rural economy in all of these counties and cities amounted to 1,909 billion yuan and their revenues 122 billion yuan in 1993, the official said.

With a well-developed commodity economy, these areas sold 1,158.48 billion yuan worth of farm products and manufactured goods in 1993, he said.

The figure accounted for nearly 61 percent of the areas' total earnings, seven percentage points higher than the nation's average, he added.

The high income of rural residents in these areas is due primarily to the rapid growth of rural industries, he said.

For example, the 537 counties and cities had some 6.57 million township-run enterprises last year, 26 percent of the total throughout China.

These enterprises employed nearly 48.5 million people, 39 percent of the total workforce in township-run businesses all over the country, the official said.

They turned out 1,511 billion yuan worth of goods last year, roughly 67 percent of China's rural industrial output value, he added.

High Growth in Consumer Goods Sales Shown

OW2810111594 Beijing XINHUA Domestic Service in Chinese 0956 GMT 26 Oct 94

[By Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—Figures from the State Statistical Bureau indicate that sales of consumer goods maintained consistently high growth rates in the first three quarters of 1994. The market is well-stocked and sales are brisk—these are the notable characteristics of the current domestic market.

According to statistics, the total volume of retail sales of consumer goods in the first nine months stood at 1,112.2 billion yuan, up 6.1 percent over the same period last year. Sales were brisk in July and August, the months that are considered the slack season. Growth rates in the

two months were, respectively, 29.9 and 34 percent, the highest in recent years. After allowing for price rises, the actual growth rates were 7 and 8.5 percent, respectively. The growth rate for September was as high as 36.4 percent (9.5 percent after adjustment for price rises), creating a trend of accelerated growth month after month.

According to an analysis, consumer markets from region to region across the nation have registered varying degrees of growth in sales volume. The gap between eastern coastal regions and the inland provinces remains conspicuous. Sales of consumer goods in eastern, central, and western regions grew by 30.3, 25.3, and 20.7 percent, respectively, in the first nine months of 1994 over the corresponding 1993 period; the gap between the highest and lowest growth rates was as high as 9.6 percent. Among the provinces that registered higher growth rates were Zhejiang (43.7 percent), Hainan (40.5 percent), Guangdong (30.8 percent), Fujian (32.5 percent), and Shandong (31 percent); all of them had growth rates higher than the national average of 28.3 percent.

On growth rates of consumer goods sales in cities and in the countryside, the retail volume of consumer goods at the county level or lower in the first three quarters stood at 446.3 billion yuan, up 25.4 percent over the corresponding 1993 period. Compared to the 30.4 percent growth rate of consumer goods sales in cities during the same period, the gap narrowed down to 5 percent from the 12.9 percent for the corresponding 1993 period.

Quality Problems Still Main Cause of Complaints

HK2810054894 Beijing CHINA DAILY in English 28 Oct 94 p 3

[By Ma Zhiping: "Consumer Beefs Focus on Quality"]

[FBIS Transcribed Text] Quality problems are still the main cause of consumer complaints, local consumer advocate groups say.

Of the complaints received in the third quarter of the year, 73 percent concerned product quality. Food, articles for daily use, and household electrical appliances and equipment were the most frequent cause of complaint, according to the China Consumer Association [CCA], the national consumer advocate.

Reports sent to the CCA by local consumer groups showed that "hotspots" of complaint also include unreasonable price rises, cheating on weight or quantity, especially of food, explosions of bottled beer, inferior health foods and false advertising.

CCA statistics showed that consumer associations and groups in 29 provinces, autonomous regions and municipalities handled a total of 106,791 complaints in the third quarter. Some 92 percent of the complaints were settled and 40.63 million yuan (\$4.76 million) was recovered for consumers as economic compensation.

Consumer complaints in the quarter increased 41 percent compared with the same period last year. Complaints about farm produce jumped 84 percent while those against articles for daily use grew by some 50 percent.

Gripes against cheating on weight or quantity of meat, vegetables and other food increased markedly.

More peddlers were found to have injected water into meats to gain illegal profits.

The consumer association in Tieling City of the northeastern Liaoning Province inspected 78 stands selling chicken in the third quarter and found 62 stands injected water into their meat. One vendor was found to have injected a kilogram of water into one chicken.

A market investigation found that the practice of injecting water into pork is a big problem, said a CCA report.

A spot check in the pork section of Beijing's Dazhongsi free market, the city's largest wholesale market for vegetables, fruit and meat, found that about 70 percent of the pork for sale was injected with water.

In addition, more consumers have been injured by explosions of bottled beer. Incomplete statistics from 17 provinces and regions showed that about 300 such explosions have occurred since the summer season began, injuring the eyes of 22 people and completely blinding nine of the victims.

Some breweries have refused to take any responsibility for the injuries, according to local reports.

Article Views 'Violent' Resistance to Taxation

HK2710121794 Beijing JINGJI RIBAO (Special Supplement) in Chinese 12 Oct 94 p 3

[Article by intern reporter Peng Jun (1756 0193): "China Taxation—Vindicate Your Dignity"]

[FBIS Translated Text]

The Aftermath of Violent Resistance to Taxation

On 25 July 1994, Xiao Zhongyong, a self-employed butcher in Wanshan special district in Tongren prefecture, Guizhou Province, was harboring resentment in his bosom after quarreling with a tax official. On that night, Xiao instigated his son to kill Liu Yong, the 22-year old tax official who was working at the time, with a butcher's knife.

This is the latest vicious case of violent resistance to taxation discovered by the State General Administration of Taxation. At present, Xiao Weiqing, the principal offender of the case, is at large, but Xiao Zhongyong has already been detained, and the case is being handled and is under investigation.

Similar murder cases related to taxation work have repeatedly arisen in various localities in recent years, and dutiful taxation workers have thus sacrificed their lives.

According to the State General Administration of Taxation's statistics, cases of violent resistance to taxation in our country have consistently been on the increase in recent years: From 1987 to 1991, a total of 14,176 cases of violent resistance to taxation broke out throughout the country, including 1,916 charges against tax organs, and a total of 12,671 tax officials were beaten up, among whom 1,452 were badly injured, 36 were disabled, and 22 were killed; in 1992, there were 2,744 cases of violent resistance to taxation across the country; and there were as many as 2,967 such cases in 1993... [as published]

The incidence of cases of violent resistance to taxation has not only severely threatened the personal safety of tax officials and their families, but, more seriously, has disrupted the normal taxation and public order and has resulted in immeasurable losses of tax revenue for the state.

There is a "Zhejiang village" in Beijing which is populated by people from Wenzhou and which is known far and wide for processing cheap clothes. However, in 1992, a vicious incident of violent resistance to taxation occurred here, in which up to 100 people laid siege to and beat up tax officials. In this incident, five people were hurt, two walkie-talkies and a car were smashed, and a certain amount of tax payments were lost. Consequently, for some time after this case, only those tax cadres who were young and travelling in groups dared to go there to collect taxes. A leading cadre from the security office of Beijing Municipal Tax Bureau said: "How can we talk about normal tax collection and administration when even personal safety is not guaranteed?"

Our taxation workers have been making great contributions to the state's economic construction. There are currently a total of 600,000 tax officials throughout the country, and they collect 400 billion yuan of taxes on the state's behalf every year. This means that every tax official collects an average of nearly 670,000 yuan of taxes per annum. Owing to the threat of violent resistance to taxation, their work has become more difficult. People cannot be lenient toward violent resistance to taxation and its consequences.

The Taxation Police System, No Longer a Dream

Tax revenue is the source of financial life as well as the pillar of economic construction and various public welfare undertakings in a state. Some people liken taxation to a social body's "blood." Poor blood circulation and insufficient blood supply will definitely affect the normal state apparatus's normal operation.

Hence, many countries in the world have placed the tax authorities in a very important position or have even granted them certain prerogatives.

In the United States, tax officials have greater power than police officers and judges, as they can directly freeze savings, seize private homes, and confiscate property until taxpayers have paid off their taxes;

In Russia, the anti-riot taxation police carry loaded guns to enforce public functions;

In Italy...

In Japan...

Apart from the powerful state apparatus, many countries also have detailed laws to punish people who resist taxation.

By comparison, tax organs and officials in our country have not enjoyed the above-mentioned "prerogatives" yet: Any revocation of licenses must be handled by the bureaus for industry and commerce, proceedings instituted against anyone must be undertaken by the procuratorates, any arrests must be performed by public security bureaus, and any sentence must be handed down by the courts.

However, we do have laws. As stipulated by the PRC Law on Tax Collection and Administration effective from 1 January 1993: "Those who refuse to pay taxes by means of violence and threats are considered to be resisting taxation. They will be sentenced to not more than three years' imprisonment or detained for forced labor, and they will also be fined not more than five times of their defaulted tax payments. Those whose cases are serious will be sentenced to not less than three years' and not more than seven years' imprisonment and fined not more than five times their defaulted tax payments." "Those who seriously injure or kill others through their violent resistance of taxation will be severely punished on maiming and homicide charges, and they will also be fined according to the preceding provision."

What we also have is the close attention paid by the party and the government as well as the full cooperation of departments at all levels, including bureaus for industry and commerce, procuratorates, public security bureaus, and courts.

In 1991 and 1992, the situation of violent resistance to taxation was once very grave in Beijing Municipality, and nine cases broke out in a row in areas under the jurisdiction of Fengtai District Tax Bureau. After receiving the report, the municipal party committee and the municipal government enjoined public security bureaus, procuratorates, and courts to investigate and handle the cases in a strict and rapid manner. From 1993 to the first half of 1994, cases of violent resistance to taxation in the municipality dropped drastically, and the taxation order markedly improved.

State Council leaders concerned have also listened to the State Administration of Taxation's reports on many occasions and have taken a personal interest in some large and important cases of violent resistance to taxation.

Taxation offices at all levels are also vigorously exploring the establishment of a taxation security system. Many provinces and regions, such as Jilin, Heilongjiang, Shandong, Fujian, and Guangxi, have already begun to launch pilot projects of setting up taxation security organs. According to the State General Administration of Taxation's report, 441 taxation security agencies and 2,614 taxation procuratorial offices have already been set up in our country; taxation courts have also been established in some localities on an experimental basis ... The establishment of these bodies has provided a reliable guarantee for promptly and effectively dealing with cases of violent resistance to taxation. In 1993, 70 percent of the cases of violent resistance to taxation throughout the country were handled, among which 1,388 persons were subject to administrative detention, 91 were detained for forced labor, and as many as 104 were sentenced to set terms of imprisonment.

Of course, for various reasons, a regular taxation police system has not yet taken shape in our country, but, as revealed by LIAOWANG weekly, the State Council has consented, in principle, to the installation of the "taxation police" at taxation offices. It seems that the establishment of a perfect taxation security system in China is no longer a remote "dream," even though the concrete operation will be a complicated process.

Taxpaying Sense To Be Greatly Improved

Violent resistance to taxation will be a needless talking point if every citizen has a sufficient sense of obligation to pay taxes, and it will be absolutely unnecessary to set up the so-called "taxation police" and "taxation courts;" conversely, even if the taxation security system is more than perfect, they will still take various actions to resist taxation.

Then, what exactly is the status of the Chinese people's taxpaying sense?

In late 1988, the State General Administration of Taxation selected 500 "sample households" from Haidian district of Beijing Municipality to serve as experimental units for the returns of personal income adjustment tax. At that time, only after Haidian Taxation Sub-Bureau, Beijing Municipal Taxation Bureau, and the State Administration of Taxation had made great efforts to mobilize the masses and to urge newspapers, radios, and television stations to give concerted publicity to the drive, could the returns forms be distributed. This notwithstanding, the return of the forms was still unsatisfactory. What is significant is that the average educational level of citizens from Haidian district of Beijing not only ranks first in Beijing but is also among the best of the country. If their taxpaying sense is so poor, what can we expect of others? This is easy to imagine.

What we have been implementing for a long time is a low-income and low-tax policy, in which public revenue largely comes from profits (equivalent to taxes) turned over to the state by enterprises, while the common

people almost have nothing to do with state taxation. At one time, people were even proud of the "tax-free" phenomenon—as if it represented the superiority of the socialist system. Such an environment in itself lacked adequate soil for cultivating a sense of paying taxes. However, following the shift of the center of the entire social life to economic construction, the scope for people to directly participate in economic life has been constantly widening, and economic conflicts are increasingly becoming the major conflicts between man and man and between man and society, whereas the conflict between paying and levying tax has become one of the seemingly "irreconcilable" foci among various economic conflicts.

Owing to the fact that the weak taxpaying concept is entangled with the conflict between paying and levying tax, which touches people's immediate interests, the first outgrowth is tax evasion among many taxpayers. Following the in-depth development of the work of tax collection and administration, some people who have failed to evade taxes have made a reckless move to resist taxation by violent means.

As a matter of fact, it is clear that inadequate strength for tax collection is merely the external condition making those who violently resist taxation arrogant; whereas the root cause of violent resistance to taxation is, in the final analysis, still the weak taxpaying sense. What we need to do to upgrade all the people's sense of obligation to pay taxes is far more important and arduous than setting up a taxation police system.

Development of Low-Yield Farmland Urged

SK2710130694 Beijing XINHUA Domestic Service in Chinese 0944 GMT 25 Oct 94

[By reporter Wang Yanbin (3769 6056 1755)]

[FBIS Translated Text] Beijing, 25 Oct (XINHUA)—As indicated by the results of the investigation on the reserve natural resources for the comprehensive agricultural development, conducted by the Chinese agricultural resources planning and management department, the potential for development of medium and low-yield farmlands, low-yield garden plots, low-yield water surface, and low-yield forest plots is greater than that for developing barren hills, wasteland, undeveloped water surface, and waste beaches. In particular, the potential for development and utilization of medium and low-yield farmlands is the greatest.

Zhang Qiaoling, director of the agricultural resources planning and management department under the Ministry of Agriculture, said: Great successes have been scored in the investigation and appraisal of the reserve natural resources for the county-level comprehensive agricultural development, which was conducted by the former national agriculture planning commission in line with the demand for drawing up an overall plan for regional agricultural development. This investigation

and appraisal has basically made clear the "real situation" of China's reserve resources of agricultural development.

As indicated by the results of the investigation, there are a total of 1.312 billion mu of medium and low-yield farmlands in China, accounting for 71.26 percent of the total cultivated farmlands. Of this, the proportion of medium and low-yield farmlands in the country's total cultivated farmlands is 29.64 percent and 41.62 percent respectively. There are a total of 32.78 million mu of low-yield garden plots in the country, accounting for 28.95 percent of the country's total garden plots. In addition, the total acreage of low-yield forest plots is 474.63 million mu, accounting for 25.67 percent of the country's total; and that of low-yield water surface is 47.37 million mu, accounting for 71.85 percent of the country's total.

In China, there are a total of 1.03 billion mu of wastelands of three kinds, namely, barren hills, undeveloped plots, and waste beaches, which are distributed mainly over northeast, northwest, and southwest regions. Among the wastelands of three kinds, 142 million mu are plots suitable for growing grain, cotton, and oil-bearing crops, accounting for merely 13.73 percent of the total; the garden plots suitable for growing tea, mulberry, and fruits account for 6.79 percent of the total; and the plots suitable for building forest are 423 million mu, accounting for 40.87 percent of the total. Meanwhile, there are 28.44 million mu of undeveloped water surface in the country, accounting for 30 percent of the country's available water surface.

Specialists of the Ministry of Agriculture maintained through analysis: Based on several years of experiments and practice in transforming medium and low-yield farmlands, preliminarily transforming all the medium and low-yield farmlands once with the existing technology, will bring about approximately 100 billion kg of more grain to us a year. If we are able to reclaim 50 million mu of undeveloped plots that are suitable for developing the production of grain, cotton, and oil-bearing crops by the end of this century, we will reap 10 billion kg of more grain a year, if calculated in the standard that each mu of the newly reclaimed farmlands will produce 200 kg of grain per year because such farmlands are distributed mainly in the north. In addition, there is also a vast potential to be tapped in developing, in range and quality, the undeveloped low-yield plots suitable for planting tea, mulberry, and fruits as well as for building forest, and in developing the low-yield waste inland water surface.

In the opinions of specialists, the transformed medium and low-yield farmlands will be the main source of the newly added grain, cotton, and oil-bearing crops in China in the future, and thus the difficulties we encounter in transforming such farmlands will be relatively fewer. Therefore, in a certain period to come, the development of reserve agricultural resources should be focused on tapping the potential. At the same time, all sorts of unused natural resources should be exploited in a planned way to make up for the inadequate agricultural resources of China, the inadequate cultivated areas in particular.

East Region

Jiangsu's Nanjing Managers To Share Asset Losses

HK2710143694 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1141 GMT 13 Oct 94

[FBIS Translated Text] Nanjing, 13 Oct (ZHONGGUO TONGXUN SHE)—The Nanjing City government recently adopted a new decision demanding that directors and managers of state-owned or collectively run enterprises share a certain proportion of their enterprises' capital losses. This decision has sounded an alarm to enterprise executives who arbitrarily dispose of idle or obsolete equipment from their enterprises.

It is reported that the Nanjing City Economic Commission, Financial Bureau, and Taxation Bureau recently conducted a joint survey among 14 enterprises in the city, which revealed that one-third of the enterprises had been involved in such malpractices as selling equipment at excessively low prices and failing to follow regulations on keeping accounts of income derived from the sale of equipment.

In this connection, the city government has introduced a new measure, according to which any action to be taken by an enterprise to dispose of idle equipment will be subject to prior examination and approval by the city economic commission together with other departments concerned. In cases where an enterprise disposes of equipment without permission and thus incurs losses, the enterprise will pay off the losses with its after-tax profits or with its own funds, and any parties involved and the enterprise's person-in-charge will bear any administrative or criminal responsibility arising therefrom.

Jiangxi Government Decree on Price Controls

HK2710113594 Nanchang JIANGXI RIBAO in Chinese 12 Sep 94 pp 1, 4

["Full text" of "Notice on Stepping Up Price Controls To Keep Prices Basically Stable" issued by the Jiangxi Provincial People's Government on 10 September in Nanchang: "Jiangxi Provincial People's Government Circular Urges Stepping Up Price Controls to Stabilize Prices"]

[FBIS Translated Text] At a national teleconference convened by the State Council on 6 September on further tightening price controls, Premier Li Peng made an important address urging governments and departments at all levels to take active steps and effective action to curb inflation, slow down excessive price increases, and keep prices basically stable in order to create a better macroeconomic environment for further deepening reform and economic development. In order to conscientiously implement the spirit of the State Council teleconference and Premier Li Peng's address, do a better job of price control in Jiangxi, and really keep

prices basically stable, notices on the relevant aspects of the work are given as follows:

I. Unify Thinking and Firmly Uphold and Implement All Price-Stabilizing Measures Decried by the State Council

Curbing inflation and keeping prices basically stable are two essential conditions for the smooth pursuit of reform and for maintaining the sustained, rapid, and healthy development of the national economy; are the key links for a proper handling of the relationships between reform, development, and stability; and are routine jobs for governments at all levels. The Central Committee and State Council have decided to take curbing inflation as an important task for the entire economic work in the second half of this year and the foreseeable future, as well as a top priority task in macroregulation and control. They have taken a series of measures to stabilize market prices. Governments at all levels must study conscientiously to understand profoundly the spirit of Premier Li Peng's address at the national teleconference, must unify thinking and understanding, and must better understand the current price situation. Since early this year, Jiangxi has scored marked achievements in reform, opening up, and economic development; society is stable; and the general situation has been good. However, Jiangxi shares with the rest of the country the outstanding problems of excessive price increases and great inflationary pressure. According to statistics, from January to July, the province's consumer goods price and retail sale price indexes rose 24.4 percent and 21.3 percent respectively over the same period last year. They are lowering the basic standard of living of part of the low-income residents in rural and urban areas and prices are expected to climb more rapidly over the next few months. The situation is very grim, and we cannot afford to be complacent. Governments and departments at all levels have to take immediate action to resolutely implement and carry out the range of measures unveiled by the Central Committee and State Council to curb inflation and slow price rises, must do the best they can in pursuing their tasks, must keep prices basically stable—especially those for people's daily necessities—and create a better macroeconomic environment for further deepening reforms and promoting economic development.

II. Determined Not To Take New Price-Adjusting Measures Within This Year

Localities and departments must proceed with the general situation in mind, must conscientiously implement and carry out the "State Council Circular Stopping Governments at all Levels From Taking New Price-Adjusting Measures in the Second Half of This Year" (State Council-issued unclassified cable (1994) No 15). According to the Jiangxi Provincial Government's requirements, there must not be any new price-adjusting measures or policies or measures that might set off price rises in the second half of this year; nor should there be

attempts, under whatever claims, to raise prices by bypassing set price controls. In principle, prices for commodity and service items under the price monitoring program, for which petitions and record filing are required in order to increase their prices, should remain unchanged. Stringent controls over the chain effects of grain and cotton price reform programs centrally launched by the central authorities must continue. There must not be any price increases; the arbitrary expansion of the scope of price adjustments must be avoided; and echelons within the administrative hierarchy must not raise prices. Sale prices for edible oil, pork, soy sauce, and bean products must be stabilized at their current levels and must not be raised.

III. Pursue Agricultural Production To Increase Effective Supply

Localities must continue to implement various party and state agricultural policies and must mobilize the peasants' production incentive and promote agricultural production to lay a material foundation for stabilizing market prices. We must strengthen the management of fields for farm produce, such as late-ripening crops and cotton, and must work hard to increase the output of agricultural products such as grain, cotton, oil, sugar, and pigs to ensure the completion of this year's production and procurement programs of agriculture and sideline products on or ahead of schedule to increase effective supply. Meanwhile, preparations must be in place well ahead of time for winter seed transplantation, farming, and harvests. We must make vigorous efforts to farm winter crops such as rapeseed, wheat, and broad beans and properly pursue winter agriculture.

IV. Tackle Well "Rice Baskets" and "Food Baskets" To Ensure Grain, Oil, and Foodstuff Supplies

Governments at all levels must give full play to the major roles of state-owned granaries and commercial departments in regulating market price movements. Grain departments must continue to pursue grain procurement, aim at procuring as much grain as possible, and diversify sources of grain supplies to ensure general balance in the market. They must continue to arrange for edible oil market supply as required by the state, with the objective of ensuring continuous supplies to meet market demand. Price and industrial and commercial departments must strengthen controls over grain and edible oil market prices and must execute the "food basket" mayors' responsibility system. City governments must conscientiously implement various policies and measures designed to support the "food basket" programs, must maintain and expand vegetable-growing areas, and must firmly stop the arbitrary takeover of vegetable-growing lands. We must make a special effort to work on winter vegetables to increase market supply. Commercial departments must take active steps to organize the supply of vegetables, meat, poultry, and eggs to ensure market supply—in particular the commodity supply for the Mid-Autumn Festival and National

Day—instituting, if necessary, price capping and price differential controls over key commodities such as pork and others vital to people's lives. Supply and sales cooperatives must conscientiously carry out the reformist measures on the state agricultural capital goods circulation system, must continue to work to ensure the supply of chemical fertilizers, pesticides, and other agricultural goods and preparations for next year's work, and must take firm measures to bring down the overly high prices of some agricultural capital goods. Nanchang, Jiujiang, and other cities must boost the development and management of vegetable and foodstuff markets, must increase the number of wholesale markets at a suitable time, and must import more vegetables and foodstuffs from outside the cities. They must adopt firm measures to break down various customs barriers to speed up commodity circulation.

As soon as possible localities must build and perfect a grain and foodstuff price risk fund and reserve system for key commodities and must allow them to play a full role in production financing, price regulation, and market stabilization.

V. Promote Reform in and Rectify the Circulation System

Governments at all levels must rectify the circulation system and strengthen price controls in accordance with announced reformist measures. The provincial grain bureau will take direct charge of grain and oil imports, will reduce the number of wholesale links, and will prohibit resales, speculation, and overpricing. We must properly pursue this year's cotton work and strengthen the management of the cotton market to meet the requirements of the national cotton work conference and prevent "war on the cotton market." Business, commercial administrative, price, and technical supervisory departments must coordinate with each other in strengthening the integrated management of the circulation system. They must investigate vigorously and deal with fake and inferior goods and must resolutely rectify and crack down on profiteering, harassment of fellow-traders, monopolistic trading, price manipulation, profiteering, and fraud.

VI. Continue To Pursue Price Regulation, Controls, and Management; Firmly Crack Down on Arbitrary Price Increases and Levies

Localities and departments must conscientiously implement "Jiangxi Province's Tentative Regulations on Monitoring Prices for the People's Essential Products and Services" (Jiangxi Government- Issued (1994) No 34), must draw up details for implementation tailored to local conditions, must publicize the production units and types of commodities and services that are placed under the monitoring program, must strictly enforce procedures for petitioning for and filing records on price increases, must control price differentials, must set price ceilings, and must use other devices as required by the monitoring program. Starting right now, we must make a

special effort to monitor the enforcement of various inflation-curbing measures directed by the Central Committee, the State Council, and the Jiangxi party committee and government and must concentrate on checking prices for people's daily essential commodities and services and agricultural capital goods, such as chemical fertilizers. We must focus on investigating pricing, price adjustments, levies made by leading departments in contravention of the set price policies and exceeding their authority and must investigate and deal with refusals to enforce "Jiangxi Province's Tentative Regulations on Monitoring Prices for the People's Essential Products and Services." We must also investigate and deal with arbitrary price raising, particularly arbitrary price raising and levies in the post and telecommunications, insurance, banking, and electric power sectors due to their monopolistic character. We must investigate and deal with open price marking, consumer fraud, and profiteering. In cases of serious violations, both perpetrators and their supervisors will be held accountable. We must give full play to the role of mass supervision and the media as a watchdog. Trade unions, consumer associations, and neighborhood committees must restore and organize voluntary workers' price watchdogs under local governments' central guidance and must assist price departments in pursuing the integrated management of market prices. Price departments at all levels must set up public complaint drop boxes and call-in hotlines as important means for mass supervision, must launch publicity campaigns on price policies, and must publicize selected, typical cases of serious violations of price regulations and policies.

VII. Continue To Strictly Control the Scale of Fixed-Asset Investment and Curb the Excessive Growth of Consumption Funds

Localities must strictly observe the investment scale set by the state, and Jiangxi and cannot exceed it on its own. In principle, apart from a number of key provincial projects, no new projects will be launched this year. Construction projects that fall outside the state investment and credit plans are strictly prohibited. Engaging in illegal fund raising, diverting circulating funds, and taking out foreign commercial loans to expand investment are prohibited and will be firmly dealt with. Management of property and real estate sectors and development zones must be strengthened. Property and real estate projects outside the plan will not obtain land from land departments, bank loans, or construction permits from construction departments. The macroscopic management of consumption funds must be strengthened to halt the excessive rise of consumption funds. Localities and units must act as the provincial government has instructed, must boost checks on consumption funds, and must introduce self-inspection. All enterprises and non-profitmaking and administrative units must tighten the supervision of financial auditing, must curtail the purchasing power of corporate buyers, and must cancel funds for pleasure trips and entertainment. Nonproductive expenditures, such as those on

conferences, mail, telecommunications, and courier services, must be cut. Such lavishness and waste as festival celebrations and ribbon-cutting ceremonies must be stopped. The wage reforms in administrative and non-profitmaking units must be pursued strictly in accordance with State Council fiats. Wages for enterprise workers must be performance-linked. Governments at all levels must treat seriously the work of levying personal income tax, perfect the methods for collecting personal income tax, reduce unfair distribution, and safeguard social stability.

VIII. Stronger Leadership in Taking up the Responsibility for Stabilizing Prices

Governments at all levels must genuinely strengthen leadership over price work, list it as an important government task and a key agenda item, assign special commissioners, mayors, county (city and district) governors to take charge of the work. In bureaucracy reforms, district and city price organs will be preserved; they will not be merged or downgraded, and their functions will not be broken up. Price organs in counties (cities) pursuing trial bureaucracy reforms will be given back their previous centralized functions in price administration and allowed to keep these functions intact. Price inspection units must remain independent of other government departments; those abolished or merged with other departments must be resurrected or separated again. Price work in functional departments and enterprises and non-profitmaking units must not be weakened. They must observe price regulations and enforce price policies. Acts which violate such regulations and policies must cease after the one-week grace period beginning from the date of the instruction. Corrections must be reported back to immediate supervisory authorities and the provincial price bureau for the record. The rate of increases in commodity retail prices in the second half of the year in Nanchang, Jiujiang, Yantan, Pingxiang, Ganzhou, and Jian Cities dropped by six percentage points and at least three percentage points in other places. Non-indexed prices for major commodities in counties (cities and districts) must not be higher than the indexed prices for similar commodities in neighboring counties (cities and districts). The provincial government is authorizing the provincial price bureau to supervise and inspect the local authorities' price regulatory and control measures, monitor the actual extents to which the provincial government's price control targets are being fulfilled, and verify reports submitted to the provincial government as a key means of appraising the state of implementation of government work.

First Music Television Station Opens in Shanghai

OW2810082294 Beijing XINHUA in English 0805 GMT 28 Oct 94

[FBIS Transcribed Text] Shanghai, October 28 (XINHUA)—China's first music television station started regular broadcast today in Shanghai, the biggest industrial metropolis in the country.

The Shanghai Cable Music Television Station was jointly established between the Shanghai Oriental Broadcast Station and the Shanghai Cable TV Station.

It broadcasts 18 hours per day, including six hours of newly produced programs.

According to the municipal government, music programs have become one of the most favorite art forms to local people.

Shanghai To Crack Down on Drug-Related Crimes

OW2710123094 Shanghai People's Radio Network in Mandarin 2300 GMT 25 Oct 94

[From the "990 Morning News" program]

[FBIS Translated Text] Shanghai will step up efforts to crack down on drug-related crimes. Drug control has been included in the crime-fighting drive launched by the municipal public security department.

In recent years, the number of cases involving drug abuse has increased in Shanghai. A total of 196 such cases were solved in 1993, and 28 cases were cracked from January to September this year. Of the drug abusers, 87 percent committed illegal and criminal acts.

Speaking during a meeting of the municipal leading group for drug control yesterday [25 October], Shanghai Vice Mayor Meng Jianzhu, who heads the leading group, said: Obviously, we cannot just rely on public security, procuratorial, and judicial departments to eradicate drugs. All departments must join hands, and they must mobilize and organize people in all segments of society to exercise overall control.

Central-South Region

Guangdong Province Sets Up Digital Data Network

HK2810094094 Beijing ZHONGGUO XINWEN SHE in English 1332 GMT 27 Oct 94

[FBIS Transcribed Text] Guangzhou, October 27 (CNS)—A two-tier digital data network is newly set up in Guangdong Province. It contains a main long distance network at provincial level and a local network linking various cities and counties within the province. The provincial level network covers 29 cities and counties at its early stage. The network goes into operation in the wake of a pass on an initial acceptance test last July following a six-month construction. Local digital data network now works in 11 cities including Guangzhou, Shenzhen and Zhuhai.

There are to date 400 users served by the local network in Guangzhou. Construction of other local networks is now underway for nine cities and counties including Zhanjiang and Zhaoqing. The provincewide digital data network boasts a capacity capable of serving 14,700

users. There are some 100 potential users applying for the long distance network service.

In addition to point-to-point data communications offered by the network, it will provide users with several other kinds of service. It is applicable to point-to-point vocal and video communications which is suitable for banking and financial sectors, economic and trade circles, the communications sector and the press circle for transmission of a large quantity of data.

The digital data network together the data exchange network which went into operation one year ago will connect with computer networks and information systems equipped by various departments, thus constituting a sound information network which is beneficial to establishment of various kinds of information processing systems. The exchange network covers 38 cities and counties including Guangzhou, Shenzhen, Zhuhai, Shantou, Foshan, Jiangmen, Zhanjiang, Maoming, Shaoguan and Zhaoqing. Its capacity is capable of serving some 3,200 users and the Guangzhou station acts as an outlet to handle exchange of data for Hong Kong and Macao.

The Guangdong digital data network and the exchange network have already connected with their state level counterparts respectively. International line service offered by the digital data network is available while the exchange network has links with 37 countries and regions.

Establishment of the two networks in Guangdong along with the information processing system which is expected to go into operation this year which includes electronic mail box service and exchange of electronic data will basically meet the needs of data communications required of various departments across Guangdong.

Hainan Governor Chairs Meeting on Marine Resources

HK2710145694 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 19 Oct 94

[FBIS Translated Excerpt] Governor Ruan Chongwu chaired a governor work meeting on 18 October to review Hainan Province's 1995 draft plan on processing petroleum and using natural gas, and the relevant programs for the year 2010; the Hainan Province 1995 draft plan on marine resources exploration, and the relevant program for the year 2010; and the Hainan Province 1995 draft plan on tropical agriculture and processing industry, and the relevant program for the year 2010. [passage omitted]

The meeting ratified these three draft plans in principle and instructed the provincial planning department to submit them to the relevant state departments along with the draft programs on transportation, power supply, and water resources, after revising them according to suggestions raised at the meeting.

The meeting pointed out that Hainan should use natural gas as its main energy source. This project should be carefully studied and provided with theoretical proof. Construction of gas pipelines must be carried out as planned.

The meeting proposed giving priority to the development of sea transportation, beach tourism, maritime services, and other tertiary industrial projects. [passage omitted]

Henan Governor Demands Strict Controls on Prices

HK2710144594 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 23 Oct 94

[FBIS Translated Text] At the ninth plenary meeting of the provincial government on 22 October, Governor Ma Zhongchen asked all cities and localities to strictly control the general level of commodity prices and do a good job in stabilizing commodity prices.

Governor Ma Zhongchen pointed out: Low commodity prices are not favorable to economic development. Appropriate price increases are favorable to economic development, but excessive price hikes hamper economic development and can even cause social problems. He added: A prominent problem at present is excessive price hikes, therefore controlling the general level of commodity prices must be taken as a major matter in economic work for the remaining two months of this year. No government at any level is allowed to introduce new price adjustments this year, and the shopping basket project must be made a success, particularly vegetable production, pig breeding, and citizens' basic necessities to ensure market supply and stabilize nonstaple food prices. There is a need to strengthen supervision and inspection over prices of daily necessities and service charges; strictly exercise the system of applying for important commodity price increases; exercise management over prices of grain, eggs, and vegetables; rectify the market order; standardize market operations; severely crack down on unlawful practices of increasing commodity prices; and prevent excessive price increases in the period from the New Year to the next year's Spring Festival.

Governor Ma Zhongchen also asked all localities and cities to further strengthen their comprehensive management over the circulation field to severely deal with counterfeit and low quality products and to establish a good market order.

Hunan Governor Attends Work Meeting on Party Building

HK2710145294 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 6 Oct 94

[FBIS Translated Text] In order to implement to the letter the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and step up the building of

rural party organizations, the provincial party committee has decided to dispatch a number of work teams to help improve and rectify backward rural party branches.

The provincial party committee yesterday convened a meeting at which it deliberated on a number of relevant issues, such as, dispatching work teams to help improve and rectify rural party branches, improving rural party branches, and selecting competent cadres to form rural work teams.

Hu Biao, provincial party committee standing committee member and secretary general, presided over yesterday's meeting at which Chen Bangzhu, provincial party committee deputy secretary and provincial governor, as well as Yang Zhengwu, provincial party committee deputy secretary, delivered their respective speeches.

Yesterday's meeting stated: As the recently concluded Fourth Plenary Session of the 14th CPC Central Committee has decided on several issues relating to party building and has charted an explicit orientation for rural party branches building, the provincial party committee has now decided to dispatch work teams to help improve and rectify backward rural party branches with a view to expediting the pace of eradicating poverty and achieving a comparatively well-off livelihood in rural areas. This is indeed a major step forward in respect of implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee. To this end, the provincial party committee has now also decided to comprehensively build and rectify, as of this year, a total of 47,000 rural party branches across the province over the next three years. This year, the provincial party committee will select and transfer a total of 14,000 provincial, prefectural, and county cadres to form a number of work teams and will then send them to work in a total of 4,700 villages. A total of 180 provincial cadres will be selected, transferred, and sent to work in some 60 villages. Before leaving for the rural areas, all work teams formed by cadres transferred from various provincial organs will gather together to conscientiously study and comprehend the spirit of the Fourth Plenary Session of the 14th CPC Central Committee decision as well as the spirit of the Hunan Provincial CPC Committee Decision on Improving and Rectifying Rural Party Branches to acquire a clear understanding of the importance of building and rectifying rural party branches and clearly define a guiding ideology as well as tasks and measures for improving and rectifying rural party branches.

Yesterday's meeting emphatically called for heightening understanding, taking rural party branches improvement and rectification as an important political task, firmly adhering to a clear-cut guiding ideology in improving and rectifying rural party branches, comprehensively fulfilling the task of rectifying backward rural party branches, selecting and transferring competent cadres to

form rural work teams, successfully conducting ideological education in this connection, and fruitfully furthering all sorts of work.

All rural work teams are to spend three days collectively studying a series of relevant central and provincial documents, during which persons in charge of the provincial party committee organization department, propaganda department, political and legal affairs committee, and rural work department, as well as various other units, will speak one after another and focus on a number of pertinent issues.

Southwest Region

Guizhou Secretary Relays Fourth Plenum's Instructions

HK2710124194 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 8 Oct 94

[FBIS Translated Text] The Third Plenary Session of the Seventh Guizhou Provincial CPC Committee ended in Guiyang yesterday afternoon after a three-day meeting. At the meeting, provincial party Secretary Liu Fangren gave a speech entitled: Conscientiously Implementing the Instructions of the Fourth Plenary Session of the 14th CPC Central Committee and Promoting Our Province's Party Building to a New Level. This meeting relayed and studied the CPC Central Committee's decision on strengthen party building and other major issues, as well as General Secretary Jiang Zemin's important speech.

Participating comrades held serious discussions in light of Guizhou's party building. They unanimously expressed their resolute support for the instructions of the Fourth Plenary Session of the 14th CPC Central Committee and said that after they returned to their localities they would organize party members and cadres in profoundly studying, understanding, and implementing the instructions.

In his speech, Liu Fangren pointed out: A prominent task facing all levels of party organizations is to study and implement the instructions of the Fourth Plenary Session of the 14th CPC Central Committee in a down-to-earth manner. First, we must concentrate our time on studying the instructions. The provincial party committee has decided that party members and cadres will be organized in studying the documents of the Fourth Plenary Session of the 14th CPC Central Committee in the three months from now to the end of this year. Propaganda and press departments must closely cooperate with this and do a good job in carrying out propaganda and guidance work to set off an upsurge of studying, propagating, and implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee throughout the province. Second, there is a need to study the documents in light of specific conditions. All levels of party organizations must, in light of their specific conditions, seriously work out

detailed measures to implement the instructions, make work arrangements, and clearly define leaders' responsibility to ensure the implementation of the instructions. Third, leaders must take the lead in studying the documents. Fourth, study must focus on key points.

Liu Fangren stressed: In accordance with the Central Committee's overall arrangements and requirements, in the course of improving the party's ideological and style formation, we must bring the party's organizational buildup into prominence, focus our efforts on resolving the three major issues of upholding and perfecting democratic centralism, strengthening and improving grassroots party organizations, and training and selecting leading cadres who have both ability and political integrity to increase the coherent force of all levels of party organization, their appealing force, and their combat worthiness and bring the party's role as the core of leadership into better play.

Liu Fangren added: There are less than three months left of this year. We are pressed for time and have arduous tasks to fulfill. Taking the implementation of the instructions of the Fourth Plenary Session as an impetus, we must seize the hour and the day to relentlessly battle forward, remove difficulties in our advance, and work hard for the overall fulfillment of this year's national economic and social development plan.

Chen Shineng, governor and deputy secretary of the provincial party committee, expressed five suggestions on how to implement the instructions of the Fourth Plenary Session of the 14th CPC Central Committee.

'Aiding-the-Poor' Project Fruitful in Tibet

OW2710160594 Beijing XINHUA in English 1518 GMT 27 Oct 94

[FBIS Transcribed Text] Lhasa, October 27 (XINHUA)—A 39-year-old Tibet herdsman, who has become better off not long ago thanks to the aiding-the-poor program, has donated 33,000 yuan to a village school and help his neighbours get rid of poverty.

He has also bought villagers a generator to provide them with free electric power.

He said he was glad to do so because he had been a poor herdsman, too. "It was the local bank that helped me get out of poverty," he said.

Cering Wangqin, an ordinary herdsman in Commal County in the southwest China's Tibet Autonomous Region, had a family of five who had been packed into the only small shabby room eight years ago.

In 1987, he took a loan of one thousand yuan to start a small business. Now, his candy outlet has been multiplied into six shops.

In addition, he has also built a woolen textile mill, a flour mill and a diversified family enterprise with a total fixed assets totaling 240,000 yuan and a working capital of more than 100,000 yuan.

Over the past few years, the Tibetan banks have redoubled their efforts to aid poor people. Cering Wanqin is one of them.

The Tibetan branch of the People's Bank has played an important part in promoting the aiding-the-poor project in the region and boosting the local economic development.

Located at an elevation of 4,000 meters above sea level, Tibet has 1.95 million farmers and herdsmen. About 480,000 of them do not have enough food and clothing due to harsh climate and geography.

Most of the farmers and herdsmen live in the remote mountainous areas. It is difficult for them to get in touch with the outside world. What is more important is that people in these areas have kept to the traditional ideas and have had less sense of commodity.

Therefore, the local banking organizations had to spread knowledge of a market economy among the broad masses and teach the poor farmers how to run a business.

So far, they have created a complete new way of aiding the poor.

In Gyaca County of the southern Shannan Prefecture, the local bank branches provided a loan of more than 20,000 yuan and organized the farmers to build water conservancy projects.

As a result, the grain output in the county has jumped in the past years and the per capita income of the farmers has increased by over 120 yuan each year.

In Amdo County in north Tibet, the county branch of the People's Bank helped the local people build many village livestock farms. The farmers' annual income per capita has risen to 628 yuan from 289 yuan.

A bank branch in Qamdo County in the eastern Tibet has helped a farmer with a family of six to set up a business for trading native produce. Now, he has earned a total 310,000 yuan.

Over the past three years, the Tibet branch of the People's Bank has built 219 liaison stations and offered the farmers loans totaling 37.43 million yuan. A total 3,333 households have got rid of poverty and some of them have embarked on the road to prosperity.

Northeast Region

Heilongjiang Reports Growth of Collective Industry

SK2810111794 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 27 Oct 94

[FBIS Translated Text] Heilongjiang's urban collective industry has realized the quadrupling task ahead of schedule. If we are able to implement related policies and make the urban collective industry the second

battlefield of the province's economy, the potential for increase production will be very great.

According to the statistics released by the forum on development of urban collective economy, held not long ago, the output value of the provincial urban collective industry was 3.147 billion yuan in 1980 and reached 13.19 billion yuan in 1993, registering an increase of over three times as much, or a yearly increase rate of 11.4 percent, higher than the increase rate of the state-owned industrial enterprises during the corresponding period. Thus far, Heilongjiang's urban collective economy embraces a total of 47,700 enterprises, being respectively engaged in the second light industry, district- and neighborhood-run industries, labor service, civil engineering, the school-run industry, the communications industry, construction trade, commerce, and catering service. These enterprises are now employing a total of 2.03 million workers and staff members.

The forum on development of urban collective economy maintained: The province's urban population accounts for 72.5 percent of the province's total. Beefing up the urban collective economy has a bearing on the improvement of the living standards of urban dwellers as well as the stability of the society. It will also directly affect the development of the local economy. Thus, we should pay full attention to it.

The forum also pointed out: The province's urban collective industry has always existed in the narrow space between large and medium-sized state-owned enterprises and township and town enterprises, thus being prevented from developing rapidly. Representatives to the forum maintained: Although the province's urban collective industry has realized the quadrupling task seven years ahead of schedule, output value of the urban collective industry accounts for only 10 percent of the province's total industrial output value. Therefore, the potential for developing the urban collective industry remains very great. If we can accelerate the pace of reform, rapidly carry out the related policies of helping promote the rapid development of the urban collective economy, and improve enterprise management, it is possible for us to again double the present figure in both of total sales income and total industrial output value by the end of this century.

Liaoning Economic Achievements for 3 Quarters Viewed

SK2710130794 Shenyang LIAONING RIBAO in Chinese 19 Oct 94 p 1

[FBIS Translated Summary] The Liaoning Provincial People's Government held a press briefing on 18 October at which Zhang Benbo, spokesman of the briefing and director of the provincial statistical bureau, delivered a report on the province's economic situation.

According to the preliminary estimation, the province's gross domestic product from January to September this

year reached 154.6 billion yuan and showed an 11.3 percent increase in term of comparable prices over the same period of 1993.

According to the preliminary statistics, the total output value scored by township enterprises across the province from January to September this year reached 195.879 billion yuan and showed a 71.1 percent increase over the same period of 1993. The volume of profits and taxes handed over by these enterprises to the state in the period reached 16.9 billion yuan and showed an 87 percent increase over the same period of 1993.

The province's total industrial output value scored in the nine-month period reached 260.997 billion yuan and showed a 27.8 percent increase over the same period of 1993. Of this total output value, that of light industry in the period reached 43.002 billion yuan and showed a 15.5 percent increase over the same period of 1993; that of heavy industry in the period reached 116.689 billion yuan and showed an 8.9 percent increase over the same period of 1993; and that of nonstate-owned industries in the period reached 73.882 billion yuan and showed a 28.9 percent increase over the same period of 1993. A 53.4 percent increase over the same period of 1993 in the total output value was scored in the period by the industries of other economic sectors.

During the period, the province's investment structure was further readjusted. The investment made in the industries of energy resources, communications and transportation, as well as of post and telecommunications, showed a 45.3 percent increase over the same period of 1993; that made in light and textile industries, a 101.4 percent increase; that made in the electronic industry, a 45.1 percent increase.

During the period, the province also had contradictions and problems in its economic life. The province's index of retail prices showed a 20.6 percent increase over the same period of 1993 and the index of consumer prices showed a 24.6 percent increase over the same period of 1993 and a 1.9 percentage point increase over the figure scored at the end of June this year. Thus, the living level of some residents across the province declined in the period.

Of 999 state-owned large and medium-sized enterprises across the province, 566 suffered losses by the end of August this year. These enterprises accounted for 56.7 percent in the total, which showed an 11 percentage point increase over the same period of 1993. The total volume of losses caused by these enterprises reached 2.868 billion yuan and showed a 50.4 percent increase over the same period of 1993.

Northwest Region

Gansu Secretary, Governor Relay Spirit of Plenum

HK2710122894 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 6 Oct 94

[FBIS Translated Text] The provincial party committee yesterday morning convened a meeting of incumbent and retired CPC member leading cadres at the provincial vice governor level.

Yesterday morning's meeting was attended by Yan Haiwang, Zhang Wule, and Shi Zongyuan who respectively relayed the spirit of the Fourth Plenary Session of the 14th CPC Central Committee, as well as General Secretary Jiang Zemin's important speech delivered at the Fourth Plenary Session.

Yesterday morning's meeting was presided over by provincial party committee Secretary Yan Haiwang who made arrangements for the province's work in the remaining months of the year and called on party committees and people's governments at all levels in the province to implement at each and every level a responsibility system aimed at successfully fulfilling this year's tasks and laying a solid foundation for the province's work in 1995.

Secretary Yan Haiwang stated: In order to successfully carry out the province's work in the remaining months of the year, we should first and foremost conscientiously study and comprehend the spirit of the Fourth Plenary Session of the 14th CPC Central Committee, strive to unify and heighten ideological understanding among comrades, step up party building in a down-to-earth manner, set off a new province-wide upsurge of farmland capital construction and water conservancy construction this winter and next spring, further consolidate the province's agricultural foundation, meticulously arrange the province's industrial production, ensure sufficient financial revenue, guarantee a bumper supply of non-staple foods on the market, and make sound and flawless arrangements for the people's livelihood.

Secretary Yan Haiwang emphatically noted: We should attach the utmost importance to building competent grass-roots rural party organizations this winter and next spring, spare no efforts in carrying out education and propaganda on patriotism, successfully push ahead with spiritual civilization building, carry on the province's anti-corruption struggle to the end, and waste no time in investigating and handling corruption cases which are capable of causing resentment among the broad masses of the people.

Secretary Yan Haiwang concluded his speech by saying: The nationwide economic structural reform in 1995 will continue to focus on invigorating large and medium-sized state-owned enterprises. Since there are a large number of large and medium-sized state-owned enterprises here in the province, we are bound to confront an arduous task in this regard. Thus, we should start now in making necessary preparations for and lay a sound foundation for the province's enterprise reform in 1995.

'Roundup' Views Animal Husbandry in Ningxia

OW2810104694 Beijing XINHUA in English 1028
GMT 28 Oct 94

["Roundup: Ningxia Concentrates on Animal Husbandry"]

[FBIS Transcribed Text] Yinchuan, October 28 (XINHUA)—Northwest China's Ningxia Hui Autonomous Region is expecting another good harvest in animal husbandry this year.

According to an estimation by the Regional Bureau of Animal Husbandry, Ningxia's gross output value of animal husbandry will reach 770 million yuan this year, an increase of 6.5 percent over the previous year.

In comparison with 1978, the output of meat this year will increase by six times, eggs by 8.2 times and milk by 23.1 times.

A regional official attributed the good result to the continuous improvement of the contract responsibility for grassland, which has aroused the initiative of farmers in boosting animal husbandry, and they have had bumper harvests in this field for 16 years running.

Nowadays, everywhere in the region, from the Liupan mountain range to the Yellow River valley, are covered with green and lush grassland, where cattle and sheep enjoy themselves in eating and chasing each other.

Ningxia is one of China's five major pastoral areas. The other four are the Inner Mongolia, Xinjiang Uygur and Tibet Autonomous Regions and Qinghai Province.

Since the 1980s when China began its national reform and opening further to the outside world, the Ningxia regional government has led its farmers and herdsmen to develop animal husbandry in line with local conditions.

While carrying out the system of the contract responsibility for over 2.2 million hectares of grassland among herdsmen, the region has invested 40,000 yuan in building more than 40 infrastructure facilities for improving the grassland's grazing conditions.

According to preliminary statistics, the region has improved about 170,000 hectares of lower-yield grassland, turning over 350,000 hectares of farmland into grassland.

The region also has spread some 40 pragmatic scientific and technological findings into animal husbandry.

This year has seen the region spend 59.6 million yuan into raising cattle in irrigated area, building a beef cattle base in Liupan mountains as well as grassland construction.

The popularization of the technique in raising fine breeds of chickens and raising lean-pork pigs has added an annual of 275 million yuan for the region.

At present, the rate of pigs slaughtered has increased by 53 percent, beef cattle by 13 percent and sheep by 14 percent, and the average milk output per cow has increased from 3,609 kilograms to 4,212 kilograms.

To further enhance animal husbandry, the region has set up 10 livestock production bases, which have helped enliven local economy of some 150 towns and 228 villages.

Over 14,000 households in these towns and villages are now specializing in breeding livestock and poultry.

At present, the 10 bases provide meat accounting for 30 percent of the region's total, eggs 30 percent and milk as high as 80 percent.

Local people now sell about 10,000 tons of meat to other provinces a year, apart from their own consumption.

Qinghai Secretary Relays Plenum Spirit

HK2710123194 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 16 Oct 94

[FBIS Translated Excerpt] The Qinghai Provincial CPC Committee held a meeting in Xining for nonparty persons, democratic personalities, and people in charge of democratic parties and industrial and commercial federations to relay the instructions from the Fourth Plenary Session of the 14th CPC Central Committee. Comrades Yin Kesheng and Tian Chenping relayed the instructions from the Fourth Plenary Session of the 14th CPC Central Committee and General Secretary Jiang Zemin's speech at this session.

Comrade Yin Kesheng related the formulation and main contents of the CPC Central Committee's decision on strengthening party building and other major issues and spoke on the main points of issues to be grasped, saying: In studying and implementing the decision, the most important point is to correctly understand the party's current situation and to fully confirm the great achievements in party building since the introduction of reform and opening up.

Comrade Yin Kesheng also expressed some views on how to implement the instructions of the Fourth Plenary Session of the 14th CPC Central Committee in Qinghai. He said: We must relay the instructions of the Fourth Plenary Session as soon as possible and speedily set off an upsurge of studying the instructions. The provincial party committee will convene the Third Plenary Session of the Eighth Qinghai Provincial CPC Committee in November to make detailed arrangements for the province's party building. Comrade Yin Kesheng asked localities and departments to conduct profound investigation and study, to analyze prominent problems and weak links in party building in their localities and departments and to raise suggestions and proposals on strengthening party building.

Party Secretary Yin said in conclusion: In the course of studying and implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee, we must make further efforts to do a good job in every field and comprehensively fulfill this year's tasks. [passage omitted]

Qinghai Governor Stresses Civil Affairs Work

HK2710144894 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 19 Oct 94

[FBIS Translated Text] After listening to feedback reports by Xining and Guoluo grass-roots leaders on civil

affairs work yesterday, provincial Deputy Secretary and Governor Tian Chenping said: Civil affairs work is an important component of the party's work, involves tens of thousands of families, and is closely related to the people's production and lives. Civil affairs work must manifest itself in serving the people and doing something practical for the masses. Following the deepening of reform, civil affairs work has become more and more important, therefore it must be strengthened instead of being weakened in this new situation. Making a success of civil affairs work is not only the task of civil affairs departments but is also the common job of governments at all levels. All units and leaders at all levels must have a correct understanding of civil affairs work and mobilize all forces in society to support civil affairs work.

Tian Chenping continued: Our province is a province that has suffered much from natural disasters. It is very important to provide relief to drought-stricken areas, but providing relief is only one kind of method. What is more important is mobilizing the masses to improve their mentality about combating drought and to help each other. Civil affairs institutions must be encouraged to work out guiding methods to carry out production. It is necessary to put the development of social welfare in our plan and learn from other provinces' experiences in developing social welfare and urban construction.

Tian Chenping pointed out: Disaster-relief teams and villagers' associations must be formed in areas frequently hit by disasters; a materials reserve at the provincial, prefectural, and county levels must be established for these areas; and the masses must be encouraged to take all kinds of measures to form funds and materials reserves.

On strengthening grass-roots organizations, Tian Chenping said: An important point in the current civil affairs work is to strengthen grass-roots organizations, which serve as a foundation for all kinds of work. Therefore, the improvement of villagers' committees and neighborhood committees must be given full attention. Only by strengthening these grass-roots organizations will civil affairs work make progress.

Shaanxi Secretary Addresses Party Building Meeting

HK2810084294 Xian Shaanxi People's Radio Network in Mandarin 0010 GMT 21 Oct 94

[FBIS Translated Excerpt] The Third Enlarged Plenary Session of the Eighth Shaanxi Provincial CPC Committee successfully ended yesterday after completing all topics on the agenda. The session unanimously ratified the provincial party committee's resolution on implementing the Fourth Plenary Session's decision. [passage indistinct] provincial party Secretary Zhang Boxing chaired the session and delivered an important speech. Provincial deputy secretaries Bai Qingcai, Liu Ronghui, and Zhi Yimin attended the session. [passage omitted on names of other participants]

Provincial party Secretary Zhang Boxing talked about three issues: First, fully understanding the overall and far-reaching significance of the Fourth Plenary Session of the 14th CPC Central Committee and concentrating efforts on party building; second, conscientiously studying and implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee, this being an important task of all party organizations in the province; and third, paying close attention to the party's overall work by taking the Fourth Plenary Session's instructions as the impetus to promote the province's economic and social development.

Zhang Boxing pointed out: The Fourth Plenary Session was an important meeting with overall and far-reaching significance and it opened in a crucial period of development for China's reform, opening up, and socialist modernization. We must follow the Fourth Plenary Session's arrangements and the requirements of its decision in carrying out party building so that our party will be able to undertake the great mission entrusted to it by history.

Zhang Boxing continued: All levels of leading cadres must soberly understand that at a time when we are building socialism with Chinese characteristics and on the basis of an economy with public ownership as the main component, the relationship between party building and economic construction is a dialectical, united relationship of being closely related to each other, complementary to each other, and promotive of each other. Only by strengthening party building will the party exercise effective and powerful leadership over economic work and will economic construction always proceed in a socialist direction.

Zhang Boxing pointed out: In the course establishing the socialist market economic structure, we must uphold and improve democratic centralism. We must not simply interpret democratic centralism as a kind of leadership system which is only exercised under the planned economic structure. This is quite wrong.

On strengthening grass-roots party organizations, Zhang Boxing said: Grass-roots party organizations are the foundation of the party's work and combat worthiness. Bringing into play the role of grass-roots party organizations as combat forces is an extension of party leadership. Otherwise, it will be hard to implement the party's line, policies, or principles at the grass-roots level and adhering to party leadership will be empty talk.

On training and selecting leading cadres who have both ability and political integrity, Zhang Boxing pointed out: On the basis of comprehensively carrying out the principle of the four transformations of cadres and the criterion of ability and political integrity, making cadres more revolutionary must be put in first place to prevent the tendency of stressing ability to the neglect of political integrity.

Shaanxi Governor Bai Qingcai Addresses Meeting

HK2810083494 Xian Shaanxi People's Radio Network in Mandarin 0010 GMT 22 Oct 94

[FBIS Translated Excerpt] The fourth plenary meeting of the Shaanxi Province CPC Discipline Inspection Commission was held in Xian yesterday. Bai Qingcai, deputy secretary of the provincial party committee and provincial governor, gave an important speech. Li Huanzheng, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, presided over the meeting.

Bai Qingcai said: The fourth plenum of the provincial discipline inspection commission is mainly aimed at studying and implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee, the spirit of the Fourth Plenary Session of the Central Discipline Inspection Commission, and the spirit of the third plenary meeting of the eighth provincial party committee. According to the requirements of the Central Discipline Inspection Committee and the Ministry of Supervision, in line with this province's concrete conditions, we will consider how to further give play to the functions of discipline inspection and supervision organs and will further carry out the anticorruption struggle. Since the beginning of this year, the anticorruption struggle in this province has achieved positive results, and this has been affirmed by the central inspection group. However, our work has not yet met the requirements set forth by the Central Committee's Fourth Plenum and has not yet satisfied the hopes of the people. [passage omitted]

State Allocates Funds To Improve Air Quality in Yanan

HK2810113194 Xian SHAANXI RIBAO in Chinese 19 Sep 94 p 1

[By Kang Long (1660 7893), Jian Ping (5324, 1627), and Ai Qingwei (5337 1987 0251): "The State to Allocate 30 Million Yuan to Curb Atmospheric Pollution in Yanan"]

[FBIS Translated Text] After personal instructions from State Council Premier Li Peng, the Ministry of Finance will allocate 30 million yuan to curb atmospheric pollution in Yanan City. At present, the first sum of 10 million yuan is already in position.

Yanan is one of 24 cities famous for their history and culture on the first list of such cities promulgated by the State Council of China. The city is also well known as a sacred place of revolution. Since the beginning of reform and opening up, Yanan's economy has developed rapidly, and the population of its urban area has grown drastically. In addition, because of its geographical conditions and backward heating methods, atmospheric pollution is very serious. After October each year, 64,000 small stoves and 174 boilers emit smoke and dust in Yanan, whose area is 8.8 square km. The annual amount

of waste gases emitted is 5 billion cubic m and there are 14,000 tonnes of smoke particles. According to a public announcement on national environmental pollution in 1992, the total floating particle pollution in Yanan's atmosphere ranks first among the cities of China. Satellite measurement shows that there are three polluted cities in China which cannot be seen by satellite, and Yanan is one of them.

After finding out about the serious atmospheric pollution in the Yanan urban area during an inspection tour in 1993, Wang Bingqian, vice chairman of the National People's Congress, and Qu Geping, chairman of the Environment and Resources Protection Committee of the National People's Congress, expressed deep sympathy. Later, they sent a specialist group to carry out an investigation into environmental pollution in Yanan and to study and work out, together with Shaanxi Province, a relatively scientific and feasible plan for curbing the pollution. At the same time, they reported to State Councillor Song Jian and to the ministries and bureaus concerned and jointly wrote a letter to Premier Li Peng asking for funds for the work. On reading the letter, Premier Li Peng gave a written reply.

At present, the work to supply heat for several areas in a centralized manner has started in the Wangjiaping, Qilipu, Shichanggou, and two other sub-districts, and stoves which reduce smoke and dust are being recommended.

XINHUA Replaces Item on Shaanxi Foreign Trade

OW2510105894 Beijing XINHUA Domestic Service in Chinese 0302 GMT 19 Oct 94

[Beijing XINHUA Domestic Service in Chinese at 0922 GMT on 19 October transmits a service message replacing this item by reporter Li Yong (2621 0516) with item headlined "Zou Jiahua Departs Denmark for Beijing" published on page 19 in the 26 October China DAILY REPORT]

[FBIS Translated Text] Xian, 19 Oct (XINHUA)—The landlocked province of Shaanxi has achieved phenomenal successes in promoting its foreign trade in recent years. A new structure of export commodities with machinery, textile, coal, technology, and agricultural and sideline products as the mainstays has taken shape.

According to statistics released by Shaanxi's foreign trade authorities, the province's exports during the 1991-1993 period doubled that of the preceding three-year period, reaching \$2.36 billion. The province set another new record last year with exports reaching \$990 million. This year's exports are expected to reach \$1.1 billion. While Shaanxi's exports have grown dramatically, its imports have also grown substantially. The province's imports last year exceeded \$500 million. Enjoying simultaneous growth are imports of technologies and major capital goods.

While developing its foreign trade, Shaanxi has designated 67 enterprises to operate as major export-oriented businesses and established 14 agricultural and sideline products export bases, giving full scope to the province's strengths, such as all types of industrial production, strong scientific and technological forces, and a high output of agricultural and sideline products. These moves have changed the province's export in three ways: It is now exporting manufactured goods instead of

raw and semifinished materials; it is now exporting intensively processed and precision goods instead of primary goods; and it is exporting goods with high added value instead of goods with low added value. So far the province has developed nearly 100 types of export commodities, each of which can bring in foreign exchange of more than \$1 million, including 10 types of goods, each of which can bring in more than \$10 million.

President Li Briefed by Nominee on Campaign Situation

OW2710133094 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 25 Oct 94

[From the "Hookup" program]

[FBIS Translated Text] Amid the fierce campaign for the Taiwan governorship, Kuomintang [KMT] Chairman Li Teng-hui yesterday [25 October] told the KMT-nominated candidate, Song Chu-yu, that people in Taiwan will support him as long as he does his best in a down-to-earth manner. Chairman Li also expressed satisfaction over the current campaign situation.

Chairman Li Teng-hui was briefed by [incumbent Taiwan Governor] Song Chu-yu and Chien Ming-ching, general director of Song's campaign headquarters, after attending a reception yesterday to mark the 49th anniversary of Taiwan's Retrocession Day in his capacity as president.

In an interview with reporters, Song Chu-yu said he had told Chairman Li that he was quite upbeat about the current campaign situation.

After a comprehensive review of the campaign situation in every county and city, members of the decisionmaking group of Song's campaign headquarters estimated that, while Song was ahead of other candidates, he should intensify his efforts in winning over the undecided and who account for more than 30 percent of the voters in Taiwan.

The decisionmaking group also stressed that, to ensure the needed votes, the provincial government must be very careful in performing its administrative duty and cannot afford to make any mistakes, otherwise the KMT-nominated candidate will be to blame.

Taipei To Open Representative Office in Cambodia

OW2710142394 Taipei CNA in English 1351 GMT 27 Oct 94

[By Flor Wang]

[FBIS transcribed Text] Taiwan, Oct. 27 (CNA)—The Executive Yuan has approved the establishment of a representative office in Cambodia, an official with the Ministry of Foreign Affairs said on Thursday [27 October].

P.Y. Teng, the director of the ministry's East Asian and Pacific Affairs Department, said at a news conference that although it is still unclear whether Cambodia will send an official to be stationed in Taipei, the government will proceed with its plan to open a representative office in Phnom Penh.

Taipei and Phnom Penh reached an agreement to exchange representative offices last month.

Teng also revealed that the government is also negotiating with Myanmar [Burma] about the same matter.

Beijing Said Trying To Bar Taipei From Meeting

OW2810103394 Taipei CNA in English 0817 GMT 28 Oct 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Oct. 28 (CNA)—Beijing is trying hard to bar a Taiwan group from taking part in a Convention on International Trade of Endangered Species (CITES) meeting scheduled to open Nov. 7 in Ft. Lauderdale, Florida.

The SWAN (the Society of Wildlife and Nature), a non-profit non-government group to promote wildlife and environmental conservation in Taiwan, is allowed by CITES to represent Taiwan to attend the CITES meeting as a non-governmental organization (NGO), a SWAN spokesman said Friday [28 October].

According to CITES secretary-general Izgrev Topkov, Beijing has exerted pressure on the CITES Secretariat recently, opposing SWAN's presence at the meeting on the grounds that many SWAN members are officials from the Council of Agriculture (COA), the highest governmental agency in charge of wildlife conservation affairs in Taiwan.

Topkov said SWAN's participation in the CITES meeting may be undermined if Beijing mobilizes one-third or 40-odd CITES member nations to launch a boycott against the Taiwan group.

SWAN secretary-general Vincent Chen, formerly a neurobiological researcher with the Academia Sinica, said he feels sorry that an NGO group like SWAN could possibly be boycotted by CITES members if they yield to Beijing's political maneuverings.

Chen urged the Beijing authorities not to politicize wildlife conservation and environmental protection issues, in which both Mainland China and Taiwan are potential targets for international sanctions for their alleged violations.

Chen said SWAN delegates will attend the CITES meeting only to promote Taiwan's efforts and progress in wildlife protection and conservation and they will try not to stimulate Beijing with politically sensitive words.

He said SWAN plans to install a booth at the meeting, displaying pictures and posters to further introduce Taiwan's work on wildlife conservation.

Meanwhile, Ted Ting, executive director of the Beautiful Taiwan Foundation, another private wildlife protection group, said SWAN had no problems taking part in a number of CITES or UNEP (United Nations Environmental Protection) meetings in the past, during which mainland Chinese delegates had not expressed opposition.

Ting said that Beijing seems to have intensified its overall political blockade against Taiwan in the international community, even in wildlife conservation meetings.

SWAN was founded in 1982 by scholars, legislators, businessmen, students and nature lovers who share a keen concern for wildlife and the natural environment in Taiwan.

Legislature Passes Amendments to Wildlife Conservation Law

OW2810102394 Taipei CNA in English 0741 GMT 28 Oct 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Oct. 28 (CNA)—Taiwan residents must re-register their rhino horn, tiger parts or other endangered species products beginning November 1 under the revised Wildlife Conservation Law, a Council of Agriculture (COA) spokesman said Thursday [27 October].

After a marathon debate late Thursday night, the Legislative Yuan finally passed the amendments to the Wildlife Conservation Law which hopefully will help Taiwan avoid being sanctioned by the Convention on International Trade in Endangered Species (CITES), a wildlife protection arm of the United Nations.

The revised law significantly increases fines and penalties for illegal trafficking, trade and display of endangered wildlife species and related products.

Under a "grandfather clause," the law gives wildlife breeders a three-year grace period in which to deal with their stocks of wild and endangered species before captive breeding is thoroughly banned.

The amendments stipulate that fines for failure to register possession of endangered species or their parts will be increased to NT\$50,000 [new Taiwan dollars] with the seized species or products confiscated.

CITES is meeting in Fort Lauderdale, Florida, beginning November 7 to discuss topics including Taiwan's conservation progress and possible sanctions.

Hong Kong

Patten 'Confident' of Airport Agreement

HK2810031194 Hong Kong EASTERN EXPRESS in English 28 Oct 94 p 2

[By Rosemary Langford in London]

[FBIS Transcribed Text] An agreement with China on the financing of the new airport will be reached within the next few days, the Governor, Chris Patten, has said in London.

At a banquet hosted by the Hong Kong Trade Development Council on Wednesday, the Governor confirmed that Britain and China had completed their discussions regarding the overall basic agreement on the new airport.

China has insisted on reaching the overall agreement before the two other financial support agreements, which will enable the future Airport Authority and the Mass Transit Railway Corporation (MTRC) to borrow money.

Patten said the two financial support agreements should follow "more easily" since they mainly dealt with technical issues.

"I am happy to report we and the Chinese have all but completed our discussion regarding the financing," he said. "I am confident that an agreement confirming this will be reached in the next few days.

"I hope we can reach agreement on other documents."

After holding talks with officials of the British Foreign Office, the Governor warned of a legal vacuum and urged Beijing to discuss the adaptation of laws at the next Joint Liaison Group meeting.

"It is very clear if some important laws don't appear to have legislators' backing, it could cause unease amongst businessmen," he said.

"If businessmen start to get anxious about the legal position in Hong Kong, the consequence will be that they sign contracts elsewhere."

XINHUA Official Says Press Freedom To Stay

HK2610141694 Hong Kong WEN WEI PO in Chinese 24 Oct 94 p A11

[Report: "Sun Nansheng Says That, By Making an Issue of the Freedom of the Press, British Hong Kong Authorities Intend To Unilaterally Amend Laws"]

[FBIS Translated Text] Sun Nansheng, head of the propaganda department of the XINHUA Hong Kong Branch, attended the opening ceremony for a photo exhibition yesterday. Asked how he would comment on the fact that Hong Kong Government officials have mentioned the question of the freedom of the press on several occasions recently, he said: For a period of time, the British Hong Kong authorities, from the Hong Kong

governor to government officials to some Legislative Council members, have talked about the question of the freedom of the press in an alarmist fashion. They say that "unhealthy" and "worrying" phenomena exist in press circles. Some have made such remarks not only in Hong Kong but abroad, as if there was a big question about Hong Kong's "freedom of the press" and as if press freedom would be forbidden after 1997. This is not true. There were reports in the first half of the year that high-ranking officials of the Hong Kong Government had given a banquet for personalities from the press, at which they were asked whether they were very seriously restraining themselves at that time, and the participating press personnel answered that there was absolutely no question of that. Why have outsiders responded so sensitively and exaggerated the issue when the Hong Kong press said they themselves did not have the slightest problem? We cannot rule out the possibility that some are stirring up emotions and dissatisfaction against the Chinese government so as to arouse feelings of distrust about the "one country, two systems" to be put into practice after 1997.

Sun Nansheng said: To this end, they are intentionally confusing right and wrong in some areas and are misleading people. For example, as a public instrument for the community, the mass media of course must stress social responsibility and professional ethics. But this is described as an "unhealthy phenomena of self-restraint and self-examination." If the media were able to be irresponsible to the readers and the community, to disregard professional ethics, to do whatever they please, and to continually get involved in lawsuits, who would dare run the media any longer and who would trust them? If the media are "self-restrained" to the degree that they are responsible to the community and to the readers and stress professional ethics, I think there is nothing bad in it.

Another thing: Press freedom should be equally enjoyed by all press workers. It should not be the case that some of them have press freedom while others do not. Reporters and authors have the freedom to write, and editors have the freedom to revise, decide on, and accept and reject contributions. Press administrative personnel also have the normal freedom of administration. If only reporters and authors have the freedom to write, while editors cannot edit or revise their contributions or cannot decide whether to accept or reject them, or if administrative personnel cannot carry out day-to-day administrative activities, do we have freedom of the press? They are saying that it obstructs press freedom for a certain general editor to remove a contribution from a publication, and have so requested that an account of the matter be given at the Legislative Council. This completely does not stand to reason. I can say for sure that—not just in Hong Kong media, but in the media anywhere in the world—we cannot and should not request that all contributions be published and that a statement be made about the acceptance or rejection of each contribution. For press workers to support absolute

press freedom for some while limiting press freedom for the others, they are creating contradictions and creating division and confrontation in press circles and will inevitably ruin press freedom and obstruct the healthy development of the press industry. Sun Nansheng stressed that Article 27 of the Basic Law clearly provides that, when "one country, two systems" and "Hong Kong people ruling Hong Kong" are put into practice in and after 1997, residents will have press freedom, so they do not have to worry about it.

Sun Nansheng continued, saying: The British Hong Kong authorities are making a big issue of press freedom. It does not help the situation if they want to unilaterally amend some laws before 1997, creating troubles for the government of the special administrative region. The government of the future special administrative region will deliberate the existing laws and will have the right to amend and repeal some laws in accordance with the Basic Law and in keeping with legal procedures. The Preliminary Working Committee is currently preparing for this eventuality so that it can put forward views and suggestions.

The Chinese Government has repeatedly stated that all important matters straddling 1997 require consultations with the Chinese side. If the British side does not do this when it does a certain thing, that very thing will be corrected in 1997.

China Expresses Concern Over Launch of Stock Futures

HK2710085794 Hong Kong HONGKONG STANDARD in English 27 Oct 94 p 1

[By Chan Po-Chung]

[FBIS Transcribed Text] Chinese officials have expressed grave concern over the launch of stock futures in the territory and will approach the local government within days, a leading legislator says. Chim Pui-chung, representing the financial and insurance constituency, said yesterday he was approached by officials of the local Xinhua News Agency branch, China's de facto consulate in the territory.

"They have shown great concern about the issue," said Mr Chim. "It is bound to affect Hong Kong's status as a major financial centre of the world, even in the post-1997-era." "I have not ruled out that the (Hong Kong) government had a political goal in the way it handled the case," he said, referring to the lack of consultation before the launch which took many market operators by surprise.

But Secretary for Financial Services Michael Cartland defended the government last night, saying "it was definitely not a political move". He said Chinese officials had not done anything about it up to now and "there is no reason for them to get involved". Mr Chim, who strongly opposes the new products, said he would

contact either Vice-Premier Zhu Rongji or China Securities Regulatory Commission head Liu Hongru. He said that as the financial sector's representative he had so far received more than 120 complaints from constituents objecting to the launch of stock futures.

"The way the government has handled this case was definitely an operation in a 'black box'," he said. The public and market practitioners were not consulted about the plans for stock futures before the Futures Exchange made its announcement. "Chinese officials would not be interested in the case if the market had been thoroughly consulted," said Mr Chim. "I think the government should suspend (the launch)," he said, adding that he would propose that at the Financial Services Committee meeting on 9 November. "I am going to ask them who is going to spend 100 per cent of their cash to buy stock ... if he only needs to spend, say, 5 per cent to invest in stock futures?"

Disagreement Over Establishment of Appeal Court

HK2710090394 Hong Kong EASTERN EXPRESS in English 27 Oct 94 p 1

[By Sally Blyth, Political Correspondent]

[FBIS Transcribed Text] A split is emerging in the Bar Association over the establishment of the court of final appeal. The divide, which pits the chairman against the deputy chairwoman, comes as the Government is preparing to consult the legal profession on the draft legislation setting up the court. Martin Lee, the legislator and chairman of the newly formed Democratic Party, has warned of dire consequences if the Bar Association does a U-turn.

The legal profession and the Legislative Council were unanimous when they rejected the 1991 Sino-British deal on the court which will replace the Privy Council after 1997. The agreement stated that the court would consist of five judges in any one sitting the chief judge, three local judges and one overseas judge.

The legal profession believed more than one overseas judge was needed to ensure the court's independence and that the four-to-one ratio was in breach of the Joint Declaration. The Joint Declaration allows for flexibility in the number of overseas judges able to sit on the court.

Ronny Wong, the association's chairman, and Gladys Li, his deputy, have refused to discuss the question of a rift, remaining tight-lipped ahead of a key seminar on the subject on Saturday. The seminar will be followed by a special meeting of the Bar Association where the association's stand will be discussed. However, insiders said there were strong indications that Wong was softening his stance.

They claimed that Wong was preparing to accept the 1991 accord. He was believed to be arguing that it was now better to have a court up and running ahead of 1997

under the arrangements already agreed, rather than have China set up its own court of final appeal after the handover.

Wong led a Bar Association delegation to Beijing to discuss the issue with senior Chinese leaders earlier this year. Shortly after the trip he was elected the association chairman. The key question was whether the chairman would be able to carry the association with him. Li has made it clear that her views remain firmly unchanged. At a forum last week, she said she did not want to see a court of final appeal established before 1997, merely to avoid a legal vacuum, as warned by the Government.

Lee was outraged that this weekend's seminar is even being held. He maintained nothing had changed since 1991 and that there was no reason for the Bar to meet to discuss its position. "If the Bar Association makes a U-turn now, it is going to be the most terrible thing for the legal system in Hong Kong," Lee said. He argued that U-turns were all right for politicians, but for lawyers to change their minds in the name of pragmatism was wrong.

Lee said the credibility of the Hong Kong Bar would be called into question and it would become a "laughing stock in the eyes of the legal community across the world". Despite Lee's hard line, opposition in general among lawyers appeared to have weakened since 1991. Roderick Woo, the Law Society chairman, has already offered his support for the four-to-one formula. The Government would like to see the court up and running by 1996, and is about to embark on an intense lobbying campaign to win over the legal profession.

Government Does Not Plan To Re-Tender CT9 Project

HK2710064894 Hong Kong *SOUTH CHINA MORNING POST* in English 27 Oct 94 p 7

[FBIS Transcribed Text] There are no plans to re-tender or to shelve the Container Terminal 9 project despite China's objections, said Secretary for Economic Services Gordon Siu Kwing-chue. Mr Siu said one major motive behind granting the CT9 project through private treaty was to introduce more competition to the container operation. Re-tendering the project would defeat the purpose.

China has accused the Government of awarding the contract to Jardines for political reasons. They have urged the Government to retender the project to enable open competition and said they will give their blessing to the project if it is re-tendered.

Mr Siu said private treaty grants were well used and well tested on terminal development projects. "Of the eight existing terminals, half were awarded on the same basis as CT9," he said. Mr Siu also rejected calls from some legislators that the CT9 project should be quietly shelved. It was an important part of Hong Kong's port development.

Government Not To Impose Rules on Newspaper Ownership

HK2710090094 Hong Kong *EASTERN EXPRESS* in English 27 Oct 94 p 6

[By Marnie O'Neill]

[FBIS Transcribed Text] The Government has said it has no intention of imposing rules on newspaper ownership because such an act would contravene the Bill of Rights and restrict competition in the industry.

The principal assistant secretary for home affairs, Duncan Pescod, told the Legislative Council's information policy panel that vetting of proprietors would encourage self-censorship. Pescod's comments were backed by representatives of the Newspaper Society of Hong Kong, the Hong Kong Journalists' Association, the Society of Hong Kong Publishers, the Hong Kong Chinese Press Association and the Hong Kong News Executives' Association, who had been invited to air their views to the panel.

A debate on the integrity of newspaper owners was recently sparked by revelations that the former Ming Pao chief, Yu Punhoi, had failed to inform the Stock Exchange of his criminal record in Canada. He was forced to step down as controlling shareholder of Ming Pao Enterprise and South Sea Developments and as chairman of the Newspaper Society of Hong Kong, which feared the disclosure would taint its credibility.

Pescod said Hong Kong's 78 newspapers, 643 periodicals, 41 Chinese dailies and three English dailies made for a "free, diverse and vigorous" press. "Given the great number of newspapers which are thriving in the territory and the wide diversity of opinion being printed on their pages, we believe that the free market approach is the only form of control which should be exerted over this important area of activity," Pescod said. "Our policy is to ensure that Hong Kong has a free and vigorous press and to allow press organisations the greatest possible flexibility to conduct their activities." The assistant commissioner of the Television and Entertainment Licensing Authority, Ng Hon-wah, said that unlike television, print journalism did not need a vetting system.

The competition and the number of newspapers on the market meant they could monitor each other quite effectively while the law could deal adequately with extreme cases. Pescod said the administration was aware of concern in the community and among journalists about self-censorship and urged the press not to adopt such practices. "We are strongly of the view that it is only by encouraging diversity, ensuring that there are minimum barriers of entry into this field, that this insidious phenomenon can be overcome," he said.

Article on Maintaining Pegged Exchange Rate

HK2710143294 Hong Kong *ZHONGGUO TONGXUN SHE* in Chinese 0805 GMT 17 Oct 94

["Special article" by Yu Cheng (6735 2052): "The Pegged System for Hong Kong Dollar Must Remain Unchanged"]

[FBIS Translated Text] Eleven whole years have passed since the introduction in Hong Kong of the system of pegging the Hong Kong dollar to the U.S. dollar. This system has withstood a few major political and economic shocks, from both within and without Hong Kong, and it has proved capable of fulfilling the objective of maintaining a relatively stable exchange rate of the Hong Kong dollar to the greenback. In the late transitional period, the Hong Kong Government must keep the current pegged system unchanged to ensure Hong Kong's stability and prosperity.

The exchange rate of the Hong Kong dollar to the greenback slumped in 1983 because of wild speculation, which aroused serious social unrest and panic. This being the case, the Hong Kong Government introduced a system where the Hong Kong dollar is pegged to the greenback in October of that year. The objective of this system was to ensure that the exchange rate would be fixed at 7.8 Hong Kong dollars to one U.S. dollar, lest fluctuations in the exchange rate cause sustained and even greater social, financial, and economic chaos. This marked a new era for the Hong Kong monetary mechanism, and the floating exchange rate system was abandoned.

The pegged system has indeed achieved its objective of stabilizing the exchange rate over the past decade or so. In fact Hong Kong's society and economy have experienced quite a few political and economic shocks in the past 11 years, but the exchange rate of the Hong Kong dollar to the greenback has always remained stable. The pegged system is undoubtedly a major contributing factor which helps to alleviate unfavorable effects, because overseas and Hong Kong investors, although they have sold off their stocks, real estate, and other assets in Hong Kong dollars from time to time in view of short-term political and economic concerns, will keep their funds in Hong Kong awaiting new opportunities for investment as long as the Hong Kong dollar exchange rate remains stable.

Although the Hong Kong dollar's exchange rate to the greenback has recently remained at the level of 7.727 to 1, with a deviation of 730 points above the rate of 7.8:1, it has always remained very stable and acceptable, fluctuating between 7.726 and 7.728, with a margin of a mere 20 points. This is very much due to the monetary authorities' efforts to pursue a policy of actively improving the monetary mechanism over many years.

Up to now, the Hong Kong Monetary Authority has retained a sound and efficient monetary mechanism which ensures the stability of the Hong Kong dollar exchange rate to the greenback under a pegged system that works as normal. In general, the Monetary Authority implements its monetary policy through the following mechanisms: 1) new accounting arrangements; 2) the liquidity adjustment facility; 3) transactions involving foreign exchange fund instruments and bonds and their related interest rates; and 4) direct telegraphic transfers of the greenback within the interbank market.

With a highly efficient monetary mechanism, the Monetary Authority has also constantly increased its activities in the Hong Kong dollar and futures market and the U.S. dollar telegraphic transfer interbank market in recent years. Furthermore, the authority has made the public better informed about its operations. It releases information about the influence of Hong Kong dollar deposit balances under the new accounting arrangement upon opening, closing, and even during current trading due to the functioning of the liquidity adjustment facility on the Hong Kong dollar market. Nowadays, there are hardly any Hong Kong dollar or interest rate deals on the market, which implies that the market now has a more thorough understanding of the pegged system.

Since the pegged system has always managed to stabilize the Hong Kong dollar exchange rate and the local monetary market and economy over the 11 years since it was introduced, it is definitely necessary to retain this system, and thus its stabilizing force, during the late transitional period. And a monetary system that has long contributed to Hong Kong's political stability and economic growth will still be worth retaining beyond 1997.

Anson Chan's 'Attack' on Legislators Criticized

HK2810054094 Hong Kong SOUTH CHINA
MORNING POST in English 28 Oct 94 p 26

[Editorial: "Coping With Changes"]

[FBIS Transcribed Text] Anson Chan Fang On-sang's attack on legislators' "constant, depressing" and "unconstructive" criticism will go down well with her civil service staff. The administration is unused to the rough treatment it receives from the increasingly political Legislative Council [Legco], and seems to think it should be above criticism. But such contempt for the democratic process ill befits a government pledged to broaden the franchise and enhance the representativeness of the legislature.

What was the point of the Governor's reforms, if his Government continues to reject any accountability to the electorate? Why confront China over the empowerment of Legco, if the administration still regards itself as the sole arbiter of the public good?

There is a contradiction between the Governor's correct assertion that there is no conflict between the concept of accountable government and that of executive-led government and the view represented by Mrs Chan that input from Legco in the form of private members' bills (and, implicitly, in any other form of legislative action), risks distorting balanced government programmes and priorities. Executive "leadership" is not the same as executive "infallibility". Sometimes plans have to be altered in the face of public opposition.

The administration is in a difficult position. It is being forced to adapt to a role thrust on it by the Joint Declaration's call for the legislature to be constituted by elections and the public support for such democratic

change. The attempt to graft a quasi-democracy onto the existing colonial system was bound to lead to conflicts, particularly for branch secretaries forced to defend their ideas like politicians yet remain officially apolitical.

But civil servants have to live with the system. They have to accept that criticism of their policies is part of democracy, and that some of that criticism will be "unhelpful". They will have to adjust to the increased workload imposed by a questioning, combative legislature. And they will have to learn to defend their policies coherently instead of expecting Legco to come round to their way of thinking if they shout, pout and lecture for long enough.

If Hong Kong is to enjoy a measure of democracy for the next 53 years as the two sovereign powers have agreed it should, civil servants will have to cope with its complications to ensure society as a whole benefits from its advantages.

Editorial Urges UK To Cooperate in Airport Talks

*HK2610125794 Hong Kong WEN WEI PO in Chinese
26 Oct 94 p A2*

[Editorial: "The British Side Must Not Raise Obstacles Again"]

[FBIS Translated Text] Most recently, sources from several sides showed that, hopefully, an agreement on the general financial arrangements for the new airport would be reached soon, should the British side raise no more obstacles. In the course of negotiating the text for the summary of the financial arrangements, the British side has raised side issues over the wording and has seriously slowed the progress of negotiations. For example, the statement that the amount of debt that the British side leaves the SAR Government in 1997 "should not exceed HK\$23 billion [Hong Kong dollar]," contains very explicit wording, but the British side wanted to blur "the concept of 'not exceeding'", and insisted on rephrasing it to read "'estimated not to exceed' HK\$23 billion." "Estimated" implies a certain calculation, which could suffer some deviation and could be broken through. How can that be considered putting a "ceiling on debts"? Thus, one obstacle after another was created in the course of negotiations.

The rise in cost will result in overexpenditures; the claiming for compensation in project contracts will also lead to overexpenditures; such being the case, the British Hong Kong Government should put aside some reserve funds to cover the overspending. The SAR Government must bear financial responsibility for the airport project; therefore, the British side should also bear responsibility for "reserving some funds." Nevertheless, when discussing the relevant clauses, the British side resorted to some unclear wording regarding the "reserve funds" and favored using such flexible phrases as "make appropriate preparations" instead of ensuring reserve funds, which

would serve as a hint foreshadowing a future failure to provide sufficient reserve funds.

Giving priority to talks over the text of the summary is conducive to resolving the remaining two supporting agreements on the financial arrangements for the MTR and for the airport administration. Nevertheless, for quite some time the British side confused the order on the agenda and entangled the two topics. When negotiating the text of the summary, the British side insisted on simultaneously resolving the other two supporting agreements on the financial arrangements. As a result, little progress was made in negotiations; finally, the British side agreed to talk over the text of the summary first, but much time had already been wasted.

Next, the issues of the MTR Company and Airport Administration taking out loans will have to be resolved. The SAR Government must be provided with the explicit details of the plan for debt repayment and for taking out the loans before it can be the underwriter. The two enterprises are to operate as government-run companies with the character of independent corporations—with very strong independence and the absence of an operational supervisory mechanism of a policy quality. Furthermore, there are many loopholes and much flexibility in the draft regulations for the airport company, without any restrictions on its power to take out loans. Such being the case, in negotiating the supporting financial agreements, it will inevitably involve the clauses and wording of the draft regulations of the airport company, and the British side must make detailed explanations and provide the relevant materials. Should there be some relevant clauses which are not conducive to supervision by the Chinese side and the public, new clauses will have to be negotiated in their stead.

There has been one obstacle after another in the talks on the airport financial arrangements, because the British side has taken a rigid attitude, has insisted on discussing matters that should not be addressed in the negotiations, or has deliberately evaded the relevant laws and regulations that would affect taking out loans in those areas where the scope of the loans must be kept under control.

The British Hong Kong Government has approximately \$140 billion in financial reserves, which is sufficient financial strength to pay for the construction of the new airport. The Hong Kong people believe that the talks on the airport should be accelerated, and the British side should do the following: 1) In negotiating the wording of the text of the summary, it is necessary to implement the common understanding arrived at in talks over the past two years and refrain from bringing side issues into the wording. 2) When the issue of the text of the summary is resolved, it is necessary to step up the pace in the talks over the two supporting agreements on financial arrangements. 3) In negotiating the two supporting agreements on financial arrangements, it is necessary to accelerate negotiations over the new airport company regulations in order to reach common understanding.

Editorial Criticizes British Attitude in JLG

*HK2710070294 Hong Kong TA KUNG PAO in Chinese
26 Oct 94 p 2*

[Editorial: "Where Is the Focus of British Attention?"]

[FBIS Translated Text] The remarks Ambassador Guo Fengmin made at the farewell luncheon were both a summarization of the work of the Sino-British Joint Liaison Group [JLG] and a response to the British claim to acceleration of the JLG's work.

Recently, the British side was loudly shouting the slogan of accelerating the JLG's work, and when meeting Foreign Minister Qian Qichen at the United Nations, Douglas Hurd, British secretary of state for foreign and Commonwealth affairs, expressed willingness to "seek new ways of pushing forward the work of the Joint Liaison Group." Later, in his third Policy Address, Chris Patten discussed the JLG's work in six sections, expressing "willingness to cooperate fully with China" and "reminding" people that if the JLG's work makes slow progress, this will "threaten the future of Hong Kong" and "it is the people of Hong Kong who will pay." It seems that there was more to it than what Patten said, and that to promote the JLG's work, one must rely on the British side.

In the last few years, some progress has been made in the JLG's work and the Chinese side has exerted great efforts in it. Citing three facts, Ambassador Guo Fengmin explained that most of the matters for consideration by the JLG during the first half of the transition period as stipulated in Annex II of the Joint Declaration (including action to be taken by the two Governments to enable the Hong Kong Special Administrative Region [SAR] to maintain its economic relations as a separate customs territory, and in particular to ensure the maintenance of Hong Kong's participation in GATT, the Multifiber Arrangement, and other international arrangements and action to be taken by the two governments to ensure the continued application of international rights and obligations affecting Hong Kong) have been completed. "When the Hong Kong SAR is established, it will have a sound legal foundation for its economic relations with other countries."

Moreover, the JLG has done a lot of work in other aspects of endeavor. In particular, when the British side adopted an uncooperative attitude toward the issue of Hong Kong's political structure, for the sake of Hong Kong's prosperity and stability, the Chinese side reached agreement with its British counterpart on 10 franchises and contracts straddling 1997 and solved the issue of using military sites, which had been discussed for seven years. It is right and proper to return all the land and facilities used by the British military to the Chinese garrison troops in 1997. However, considering the needs of Hong Kong for economic and social development, the Chinese side was willing to put some land under the disposal of the Hong Kong Government. As a result, the

land handed over to the Hong Kong Government was worth nearly 100 billion Hong Kong dollars. From this one can see the Chinese side's sincerity and efforts in promoting the JLG's work.

To be honest, if the British side had not adopted an attitude of confrontation and set up barriers, the JLG's work would have progressed more smoothly and quickly and the issue of financing for the new airport, which the people of Hong Kong are very concerned about, would have long been settled. On the new airport issue, the Chinese side has made great concessions and basically agreed to the British side's fourth financing proposal, with the incurred debt increasing from 5 billion Hong Kong dollars to no more than 23 billion Hong Kong dollars. In writing the summary of the meeting, the British side deliberately complicated the issue by raising the interest-rate issue. It claimed that 23 billion Hong Kong dollars would not help set the ceiling. Hence, the issue has dragged on for another three months or so. The issue of Container Terminal 9 still could not be solved after stalling for a long time because the British side introduced a political factor and refused the introduction of public bidding. Yesterday, Patten still said that private franchising was in line with commercial and economic principles and that the contracts for the No 10 and No 12 wharfs would be approved according to this way of doing things. Is there any sincerity here for cooperation?

The year 1997 is approaching closer and closer. If the British side does want to accelerate the JLG's work, it should cooperate closely with its Chinese counterpart during the second half of the transition period in accordance with the requirements of Annex II of the Joint Declaration and specifically discuss with the latter matters relating to the transfer of government. At the recent JLG meetings, the Chinese side raised the issue of the Hong Kong Government's assets and debts, the issue of the financial budget during the second half of the transition period, the defense responsibility handover issue, and the archives handover issue. What the Chinese side raised were urgent matters relating to the transfer of government, which should be put on the agenda of the JLG and studied speedily. It is said that the raising of these issues by the Chinese side was termed "diverting attention." If this is called "diverting attention," where is the focus of the attention of those advancing such an argument?

In the five major aspects of the "JLG's unfinished business" cited by Patten in his Policy Address, he did not utter a word about the transfer of government. A lot of facts have proved that the British side has directed its attention at interfering in China's sovereignty.

The formation of the leading body governing Hong Kong after 1997 is completely a matter of China's sovereignty. Patten proposed discussing "in an agreed way" with the Chinese side "the work of the Preparatory Committee on

preparing for the Special Administrative Region's future government" in the hope of extending the last Legislative Council beyond 1997.

The arrangement of the ceremonies for the transfer of government is a matter of China's sovereignty. The British responsibility is to return a prosperous and stable Hong Kong to the Chinese Government. However, the British side proposed "discussions" with the Chinese side on the arrangements for the transfer of government.

How to handle Hong Kong's laws currently in force and how to revise those which ought to be revised after 1997 is China's internal affair. However, the British side put forth a so-called "midnight legislation" proposal, asking that the current Legislative Council under the British Hong Kong authorities should define through legislative procedures ways to revise the laws and that the revised laws should then come into force officially at 0000 on 1 July 1997.

In the Basic Law there are explicit stipulations on Hong Kong people's rights and freedoms. They can be fully guaranteed. This is also a matter for China's Hong Kong SAR Government. The British side asked the Chinese Government to submit a report to the United Nations on Hong Kong people's human rights. This is an interference in the SAR future government.

The British side has so many internal matters to handle but it insists on attending to those of others. Can this not raise people's suspicions as to its intentions?

Macao

China, Portugal Reach Agreement on Penal Code

BR2710162294 Lisbon DIARIO DE NOTICIAS in Portuguese 26 Oct 94 p 7

[Unattributed report: "Portugal and China Agreed on Death Sentence"]

[FBIS Translated Text] Lisbon and Beijing have reached agreement on "all the basic points" of Macao's penal code, including the banning of the death sentence, the head of the Portuguese delegation to the Joint Linkage Group (GLC) said at the end of the first working session of the body's 21st plenary meeting in Macao yesterday.

"There is general agreement on all the basic points, including the death sentence," Andresen Guimaraes said. The head of the Chinese delegation, Guo Jiading, confirmed that "the issue of the death sentence has been

resolved," but added that after 20 December 1999 it will be up to the Macao Special Administrative Region (RAEM) to decide on the matter.

"The penal code states that before 1999 there will be no death sentence in Macao. After 1999 it is up to the RAEM to decide," Guo Jiading said.

The Chinese official admitted, however, that the inclusion in Macao's penal code of references to extradition between the RAEM and the rest of China's territory "is one of the minor details" that still remains to be resolved by "experts on both sides."

"There is agreement on the large majority of issues; a few details remain, which will be resolved by experts," Guo Jiading said.

Andresen Guimaraes said he was "more than satisfied" with the reference in the penal code to the nonapplicability of the death sentence, stressing that China pledged in the Joint Declaration signed with Portugal in 1987 to observe the laws in effect in the territory in 1999.

"We have guarantees from the Chinese side, both in Macao and in Beijing—and this was reaffirmed to the governor of Macao in Beijing—that China has no intention of altering anything," he said.

"The penal code will last beyond 1999, for 50 years. This is what is stated in the Joint Declaration," Andresen Guimaraes stressed.

State Council Group Begins 15-Day Visit

OW2710132294 Beijing XINHUA in English 1251 GMT 27 Oct 94

[FBIS Transcribed Text] Macao, October 27 (XINHUA)—A delegation of the Hong Kong and Macao Affairs Office of the State Council started a 15-day working visit here today.

Headed by Mo Ruiqiong, director of the Macao Affairs Department of the office, the delegation will hold a series of talks with representatives of Macao's industrial and commercial circles on local economic development and economic cooperation between Macao and the mainland.

A Macao industrial and trade delegation visited Beijing and Shanghai toward the end of August when they discussed and explored for ways to enhance economic cooperation by making best use of Macao's status as a free trade port.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

END OF

FICHE

DATE FILMED

3 Nov. 94

